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officers + directors

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president's corner

What a difference a few months makes! The winter weather is now looking pretty normal for Michigan and the year-end melt down in the stock market has changed course with a strong rally. There is never a dull moment in our industry – things are changing all the time and that is the only constant.

The political scene for our industry has sure changed a great deal both in Washington D.C. and here in Lansing. There are many new members of the financial services committees in the House of Representatives and in the Senate. Congressman Bill Huizenga remains on the House Financial Services Committee and Rashida Talib a newly elected Representative from Michigan joins the committee. Representative Maxine Watters is chairing the House Financial Services Committee. Mike Crapo chairs the Senate Financial Services Committee and unfortunately neither of our Michigan Senators are part of it. We will have to be very vigilant to make sure that the hard won regulatory relief from last year does not get overturned this year. We will be going to Washington D.C. as part of the ICBA Capital Summit from April 28th to May 1 to meet with our Michigan Congressional Delegation. We have a number of new Michigan Congressional Representatives who need to hear from you about key banking issues. We would like to have as many bankers as possible join us for this important trip. We need bankers from every House District in Michigan to join us for the visits on Capitol Hill. Call us or email us and sign up today. If you have never attended one of these functions – don't worry no problem! We will take care of all the details and you will come away with a much better understanding of how important it is to represent the interests of the banking industry. Every other industry and special interest group makes their voice heard and we need to make sure our message does not get lost in all the noise.

We also have major changes to financial services committees here in Lansing. Most of the committee members are new to their roles and only a few

have financial services backgrounds. We have great leadership of both committees with Dianna Farrington chairing the House Financial Services Committee and Lana Theis chairing the Senate Insurance and Financial Services Committee. No fault insurance reform will be the top priority this year but we will make sure our banking concerns are properly addressed. I have been meeting with all of the new committee members of the House and the Senate in one on one meetings with GCSI to make them aware of your legislative priorities. The CBM hosted a breakfast reception at GCSI's office with the members of the House and Senate Financial Services Committees and our board the morning after the Governor's State of the State Address. We will be holding meetings with Michigan legislators around the state so watch for a notice of an event in your area and please make every effort to attend or to send a representative from your bank.



Michael J. Tierney
CBM President & CEO

You have been very generous to the CBM PAC. You doubled your contributions from 2017 in 2018 as more banks and more bankers got behind the CBM. We appreciate your support and we are very careful with how we spend your money. We want to be as effective as possible while still being frugal and always treating the funds as if we were spending our own money. CBM has been a very effective voice for community banks in Michigan. We are very fortunate to be represented by Bill Zaagman and Marcia Hune of GCSI, the state's premier lobbying firm. They provide our industry a powerful and effective voice in Lansing political circles and they are our eyes and ears around the capitol. Thank you to those banks that support the CBM PAC, and for those of you who have not been supporters in the past – we really need

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you to join in the effort too. You may think that your contribution does not count – but the truth is there is great strength in numbers. If you can only give \$50 or \$100 that is enough if most banks and most bank officers participate. It can make a huge difference in what happens to our industry. We do have two banking associations in Michigan and you can and should support the PAC at both of them. Many other industries in Michigan have 10 and sometimes even 20 associations representing them – so two is not too many for banking. The credit unions do a very good job of supporting their PAC and like everything we do – we need to do it better than they do. If you need help getting the CBM PAC rolling in your bank please give us a call or send us an email and we will come to your bank to get things going.

There are a number of CBM events taking place soon. The Michigan Bank Directors' College and Regulatory Roundtable takes place at Eagle Eye in the Lansing area on March 12. The new DIFS Director Anita Fox will address the group as will John Conneely the new Regional Director of the FDIC. I met with Anita and her team last week and she is looking forward to meeting all of you and your directors. The ICBA Live Convention is taking place in Nashville March 18-22. We already have over 50 bankers and associate members registered for the event so join in the fun and enjoy some of the best country music you will ever hear as we hit the honky tonks on Broadway. The ICBA Capital Summit takes place in Washington D.C. at the end of April as I mentioned earlier and we need your voice to be heard. We also just set the date with LARA the licensing group from the Treasury Department for our second Marijuana Banking Symposium at Eagle Eye on June 11th. We had a very big crowd of around 80 attendees at the event in October and this session will be even bigger. We may even sneak out for some golf after the meeting. We have a number of other events taking place in the next three months like credit training, appraisal

review, and our Risk Response and Reputation Seminar on February 28th – make sure your bank takes advantage of each of these opportunities to develop and inform your colleagues.

I am pleased to announce a new addition to our team at CBM who is a familiar person to most of you. Carole Marvin has joined the CBM team as our office manager. She has a great deal of experience working with our banks and our associate members and she shares the passion we all have for serving all of you. Please welcome Carole to the CBM!!

Thank you for all you do for our industry. While things are always changing in our business there is no other industry I would rather be a part of. We all take great pride in our calling and we are very fortunate to be part of an industry where we can help so many families, small business owners, and farmers build a better life for themselves by helping them manage their financial affairs. I have always been proud to be a banker and I know you are too!! Thanks for letting our team at the CBM serve you.



rebeca's remarks

Flourish

By Rebeca Romero Rainey, President and CEO of ICBA

“While I know many of these successes took years, our efforts are paying off.”

It never ceases to amaze me how powerful we are when we work together, community bankers.

Since sharing our advocacy successes with you in early December, I've been thrilled to see more hard-fought victories come our way. And it's not by luck—it's through years of telling our unique stories and making our voices heard.

First and foremost, we have a new farm bill—something that is good for American agriculture and for community bankers' ability to provide credit to support their local economies. The adoption of the ICBA-backed legislation is remarkable given we were told that the most likely outcome would be a one-year extension, thus pushing the legislation's enactment into the next Congress.

The new law includes important commodity price protections that will provide producers and community banks with greater business-planning certainty over the next five years. This is essential during an era of low commodity prices, sharply lower net farm income and foreign trade uncertainties. It also maintains a strong crop insurance program, increases USDA guaranteed farm loan limits to \$1.75 million and provides for the possible increase in guaranteed USDA rural development loans—all of which are ICBA and community bank priorities.

But the good news doesn't stop there. Appraisals are also on the table.

As a community banker in Taos, N.M., I know appraisals are not always clear cut. So, I was thrilled to see that the regulatory agencies are aiming to improve appraisal regulations. As you may have seen in our Main Street Matters blog, the agencies responded to industry requests with a proposed rule to increase the threshold where bankers could use a property evaluation in lieu of a

full appraisal—completed by a licensed or certified appraiser—for mortgage loans they retain in portfolio. The agencies are proposing to increase this threshold from \$250,000 to \$400,000.

And while S.2155 provided for similar relief for banks in rural markets, the agencies' proposed rule would expand that relief to all institutions and markets. That's a meaningful result for all community banks!

While I know many of these successes took years, our efforts are paying off. As we begin to work with the new Congress, know that ICBA is here for you every step of the way. Together, we will continue to do great things for our great industry.



Rebeca Romero Rainey
President and CEO
of ICBA

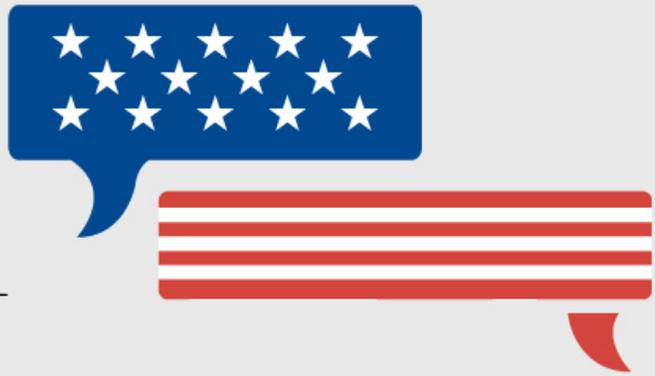


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from the chairman

From the Top

By Tim Zimmerman, Chairman of ICBA

“We are used to years-long fights for policy gains.”

Community bankers know that hard work pays off, but sometimes not right away. For instance, take a recent bit of good news for community banks that has been years in the making.

The FDIC recently alerted community banks with assets under \$10 billion of their share in approximately \$750 million in deposit-insurance assessment credits because the Deposit Insurance Fund reserve ratio surpassed 1.35 percent. These banks are eligible for credits due to a 2016 agency rule implementing an ICBA-advocated provision dating all the way back to the Dodd-Frank Act of 2010.

That law requires the FDIC to offset the cost of increasing the reserve ratio from 1.15 percent to 1.35 percent on institutions with less than \$10 billion in assets. Under the agency’s final rule, these community banks can redeem their credits once the DIF reserve ratio reaches 1.38 percent, hence the messages from the FDIC to community bankers across the nation last month on their share.

This is certainly welcome news for qualifying community banks across the country, and it’s due exclusively to our industry’s grassroots outreach. We were the only ones who advocated the change as part of long-sought deposit-insurance reforms, and we did so with the long term in mind.

At the time of the original debate, the DIF was in negative territory amid the fallout of the Wall Street financial crisis. Looking at the big picture, ICBA and community banks fought hard to ensure Main Street institutions wouldn’t be stuck footing the cost of the higher reserve ratio. It’s been years in the making, but the industry is finally reaping the benefits of that success.

This is nothing new for community bankers—we are used to years-long fights for policy gains. Consider

many of the provisions of last year’s S.2155 relief law, such as relief from qualified mortgage, Home Mortgage Disclosure Act and appraisal requirements, which played out over multiple Congresses. Our campaigns to simplify the call report and regulatory capital rules remain unfinished.



Tim Zimmerman
Chairman

With many advocacy initiatives ahead of us in 2019, we will all need to keep engaged and work hard to wage these battles with the knowledge that we can ultimately achieve success. We are faced with new challenges and threats to our franchises almost daily. I appreciate your service and dedication, and I look forward to working with you to ensure a bright future for community banks!



Did you know?

After reaching a low of negative \$20.9 billion in the third quarter of 2009, the Deposit Insurance Fund balance now stands at \$100.2 billion.



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Survey Says: Your Peers Weigh in on 2019 Banking Strategies

By Steve DuPerrieu, CSI

What will rise as the hot-button issue for bankers in 2019? To find out, CSI annually polls executives at U.S. financial institutions across the country, asking questions that uncover the strategies and issues they believe will most affect the financial sector in the year ahead. 220 bankers answered our survey this year, and shared how they plan to exceed customer expectations in 2019.

As we analyzed the findings, five key topics stood out: Customer Acquisition, Digital Banking, Cybersecurity, Regulatory Compliance, and Lending.

Customer Acquisition

Key Data:

- a. 44% of bankers are adding self-service options like online account opening, 17% are adding ITMs/ILTs and 19% are pursuing M&A activity.
- b. 39% of bankers recognized loans as the most important channel for attracting new customers in 2019.
- c. 32% of bankers see self-service account opening as essential to improving the customer experience.

Customer acquisition is the name of the game, and it's a battlefield out there. So, how are banks stepping up to the fight? Automated online account-opening solutions are a strong vehicle to both increase banks' customer base and solidify existing account relationships through cross-sales.

Elsewhere, bankers are dead-on in naming loans as the most important channel for acquiring customers in 2019. The market is quite favorable, despite rising interest rates. However, without a solid presence in digital lending, you'll likely miss this opportunity.

Digital Banking

Key Data:

- a. Approximately 3 in 4 banks plan to offer P2P by the end of 2019.
- b. 72% of bankers cite expanding digital channels as the primary means to improve the customer experience.
- c. 4 out of 5 bankers are confident in their institution's mobile banking app.

The average P2P transaction is \$150+, clearly not the small-dollar, meal-splitting transactions originally thought. So why the hold-out for the remaining 25%?

"Is it that they think it's too expensive relative to customer demand, or simply that they don't think their customers want it?" says Dan Latimore, senior vice president and head of banking with Celent. "And fair enough, if they've done their homework, but if it's just a gut feel that their customers don't want it, that's not great."

In addition, while bankers plan to strengthen digital capabilities, they should remember that customer-facing technology that's delivered through seamless core integration empowers customer engagement.

Kari Book, human resources and compliance manager for The Fairfield National Bank in Fairfield, Ill., wholeheartedly agrees: "It is glaringly obvious that if we don't make things more convenient for our customers, both through digital channels and with our customer service in general, we're going to lose them to other companies like Amazon that know how to do it."

Cybersecurity

Key Data:

- a. 44% of bankers say the number one issue affecting the financial industry is cybersecurity.
- b. 72% of bankers said they will spend up to 20% of their budget on cybersecurity.
- c. Nearly all bankers (96%) noted that employee education is the most important tactic to pursue in 2019.

It's no surprise respondents called cybersecurity the number one issue for 2019. This illustrates that cybersecurity awareness is finally accepted as a fundamentally important concept of business. Cybersecurity is an enterprisewide issue and affects all aspects of an institution.

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It's also great to see employee education topping the list for 96% of respondents as the best cybersecurity tactic, as it's one of the strongest controls institutions can implement to provide tremendous security value in a cost-effective manner.

As to other tactics for battling hackers in 2019, on-going vulnerability assessments came in at 78%; social engineering/penetration testing at 79%. The survey's overall responses demonstrated that institutions realize the need for a layered security approach.

Regulatory Compliance

Key Data:

- a. More than 75% of banks are spending up to 20% of their budgets on regulatory compliance alone.
- b. Most banks (nearly 75%) will spend up to 40% of their budget on compliance and cybersecurity!
- c. 16% of respondents think the Regulatory Relief Act will most affect the financial industry in 2019.

With the Regulatory Relief Act signed into law by President Trump, it's reasonable that bankers are anxiously awaiting the changes—and new rules—expected to regulatory guidelines.

Further, cybersecurity goes hand-in-hand with compliance, as prudential regulators will examine financial institutions' vendor management and incident response programs to ensure a robust cybersecurity program.

And, a good portion of institutions' budgets will surround the usual suspects:

1. **CECL:** As the implementation date nears, many bankers are looking for third parties to assist in their CECL calculations.
2. **BSA:** Bankers implemented the beneficial ownership rules and regulations, along with on-going monitoring known as the "fifth pillar" in 2018. Therefore, they must ensure their policies and procedures adhere to the recent guidance.
3. **Change Management:** Regulators want to ensure that institutions have adequate resources to handle the changing regulatory landscape.

Lending

Key Data:

- a. 39% of respondents' customers are small businesses. And nearly 90% of bankers surveyed service small-business customers through commercial lending.
- b. 40% of bankers identified loans as the most important channel for attracting new customers.
- c. 10% of respondents say loan growth will be key in reaching new customers.

Bankers can augment their small-business lending by letting automated solutions handle the establishment of basic lines of credit and term notes. And since lending is most certainly a top strategy for 2019, here are important things to consider:

1. It's difficult for small-business loans of less than \$25K to be profitable for a bank. The market would suggest that there are better ways to originate loans in the small-business space, especially if those loans are less than \$100K and NOT secured by real estate.
2. If your institution's loan volume is down, it's likely your customers are securing those funds elsewhere. The opportunity in this space becomes very appealing when digital technology is applied. These are high-margin, short-term loans you can deliver through a digital channel with minimal investment.
3. Flexible opportunities delivered via the proper channel of mobile banking services/internet banking are plentiful. Investments in digital technology as it pertains to traditional lending, like residential real estate, also are important.

Also, over the next few months, CSI's industry experts will be diving deeper into each of the areas mentioned above, so please watch for further insight on the survey results.

Steve DuPerrieu is vice president of product management for CSI. In his role, he provides leadership for CSI's delivery channel strategy, which includes digital banking, payment services, business and analytics software, and branch/retail delivery solutions. Steve is also a board member for the Association for Financial Technology (AFT).

features

Muni Revolution

Tax-free supplies and demand are evolving

By Jim Reber, President and CEO of ICBA Securities

However you slice it, municipal bonds have a big impact on community bank investment performance—even if you don't own any. That's because your bank's collection of bonds is destined to be in the bottom of the rankings amongst its peers, unless you own some.

This, of course, is not news. For decades, a hallmark of high bond portfolio performance is a large weighting of tax-free securities. Among the investments that community banks are permitted to own, munis tend to be the highest yielding. There are several reasons for this.

First, they're not guaranteed by the federal government or one of its agencies. (That doesn't necessarily indicate they don't have really good credit quality.) Second, munis have a limited supply, which could mean they have a scarcity value that makes them expensive but instead means they have somewhat lesser liquidity than other sectors. Third, and most importantly, munis have the longest durations of any category in the portfolio, which is mainly a function of a perpetually steep yield curve.

Latest rankings

Remember also that the yield your bank earns on its tax-free securities is driven by its marginal tax bracket. The higher the tax rates, the bigger the tax-equivalent yields. This means S Corporations have higher yields on their munis than do C Corporations, although all tax-advantaged assets have seen their yields drop since the Tax Cuts and Jobs Act went into effect in 2017.

For example, a C Corporation that owned a muni at a tax-free yield of 2.75 percent prior to tax reform would have been earning a tax-equivalent yield of about 4.17 percent. Now, that same bond's tax-equivalent yield is about 3.45 percent. For S Corporations, the drop is similarly painful: from about 4.55 percent to 3.87 percent.

In response, banks have been right-sizing their muni holdings. For the one-year period ending Sept. 30, 2018, the typical community bank bond portfolio decreased its muni sector weighting from 28 percent of the total to 23 percent. It's likely more shifting will occur as bonds get called and mature.

Legislation implications

The 2017 Act will also affect municipal supply in the coming years. Attendant to tax reform was the elimination of the ability for muni issuers to "pre-refund" their outstanding debt any longer than 90 days before their call dates. Prior practice saw bonds

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being issued as long as three years in advance of outstanding issues they were to replace. What this meant for muni issuance in 2018 was that only about 31 percent of 2018-dated bonds were for refinancings of older bonds. That number was 74 percent just two years ago.

Also, the largest two years of muni issuance in history were 2009 and 2010, because the American Recovery and Reinvestment Act (ARRA) of 2009 created several new classes of municipal bonds and expanded the size limit for Bank Qualified bonds. These provisions only applied to those issued in the two years, so there was a lot of paper printed in that time frame. Many of the longer-dated maturities had 10-year call provisions embedded in them, which means that 2019 and 2020 will see a lot of bonds get called. Also, the entire muni market has been stuck at about \$3.7 trillion for the past five years, and there are actually fewer bonds outstanding now than in 2010.

Built-in demand

Ironically, even though banks are shedding some of their munis, there should be decent liquidity and stability in the muni market. A lot of this is owing to robust demand from the retail sector, which owns about two-thirds of all municipal bonds. Individual tax rates didn't change much in the 2017 Act, so those individuals' tax-equivalents didn't change much, either. The aforementioned limited amount of outstanding muni debt will also help keep a relative floor under muni prices, particularly in the early months of 2019.

To be sure, banks have plenty of income these days to shield from the tax man. Industry earnings were up year-over-year by more than 30 percent through Sept. 30. By most indications, 2019 should be a solid year for community bank performance. You can help ensure it by actively managing and updating your municipal bond holdings to fit your institution's needs.



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For more information, contact your Michigan Calling Team:

<p>Pat Burnette VP, Investments 248.880.0521 pat.burnette@ubb.com</p>	<p>Bob McGovern VP, Correspondent Banking Officer 614.962.6505 bob.mcgovern@ubb.com</p>
<p>Chris Knight SVP, Regional Sales Manager 614.962.6504 chris.knight@ubb.com</p>	<p>Scott Burke VP, Lending 614.962.6503 scott.burke@ubb.com</p>



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features

ICBA Nominates New Board of Directors for 2019-20

National Leadership Formally Elected at ICBA National Convention in March

The Independent Community Bankers of America® (ICBA) today announced the nominees for its 2019-20 board of directors. ICBA's board of directors will vote on the nominations during the 2019 ICBA national convention, ICBA LIVE®, which will be held March 18-22 in Nashville.

Nominations for the 2019-20 ICBA board of directors and their respective positions include:

- Chairman: Preston L. Kennedy, president and CEO of Zachary Bancshares Inc. of Zachary, LA.
- Chairman-elect: Noah W. Wilcox, president, CEO and chairman of Grand Rapids State Bank and its holding company, Wilcox Bancshares Inc. of Grand Rapids, MN.
- Vice Chairman: Robert M. Fisher, chairman, president and CEO of Tioga State Bank of Spencer, NY.
- ICBA President and CEO: Rebeca Romero Rainey of Washington, DC.
- Treasurer: Kathryn G. Underwood, president and CEO of Ledyard National Bank of Hanover, NH.
- Secretary: Alice P. Frazier, president and CEO of Bank of Charles Town, WV.
- Immediate Past Chairman: Timothy K. Zimmerman, CEO of Standard Bank of Monroeville, PA.
- Past Chairman: R. Scott Heitkamp, president and CEO of ValueBank Texas of Corpus Christi, TX.
- Past Chairman: Jack A. Hartings, president and CEO of The Peoples Bank Co. of Coldwater, OH.
- Past Chairman: John H. Buhmaster, president and CEO of 1st National Bank of Scotia, NY.
- **At-large Director and Federal Delegate Board Representative: Douglas J. Ouellette, central region president, Mercantile Bank of Michigan of Mt. Pleasant, MI.**
- At-large Director and Federal Delegate Board Representative: Thomas E. Bates, Jr., president and CEO, Legends Bank of Clarksville, TN.
- At-large Director: Steven J. Handke, president and CEO of Union State Bank of Everest, KS.
- At-large Director: Mark Hesser, president of Pinnacle Bancorp Inc. of Omaha, NB.
- Bank Education Committee Chairman: Brad M. Bolton, president, CEO and senior lender of Community Spirit Bank of Red Bay, AL.
- Bank Services Committee Chairman: Lucas White, president of The Fountain Trust Co. of Covington, IN.
- ICBPAC Chairman: Russell L. Laffitte, executive vice president and COO, Palmetto State Bank of Hampton, SC.
- Policy Development Committee Chairman: Derek B. Williams, president and CEO of Century Bank & Trust of Milledgeville, GA.
- Bank Operations and Payments Committee Chairman: G. Scott McComb, chairman, president and CEO of Heartland Bank of Whitehall, OH.
- Corporate Secretary: Terry J. Jorde of Washington, DC.

Community Banks are Driving the Cornerstone of the Upper Peninsula Economy

mBank CEO talks about the importance of community banking

If you ever do business with community banks, you may notice something different about them. Tellers greet you by name. Loan officers are familiar with your local company – in fact, they might even be your customers. That personal touch and feeling of comfort is a hallmark of community banks across the Upper Peninsula (U.P.) and beyond. However, they offer more than a warm welcome. Community banks support the local economy by creating jobs, giving back to their communities, and helping small- and medium-sized local business grow and thrive.

There are 23 banking brands in the Upper Peninsula – seven national or regional and 16 with headquarters in the U.P. – with deposits that exceed \$4.7 billion. The region’s largest community bank is mBank, headquartered in Manistique. Chartered in 1934 under the name of First National Bank in Manistique, mBank is the largest bank by asset size (\$1.3 billion) headquartered in the U.P. and approximately the tenth largest bank by asset size headquartered in Michigan. mBank has 29 total banking centers located predominantly in Northern Michigan and Northern Wisconsin, with eleven domiciled in the U.P. The growth experienced by mBank, especially in the last five years, has allowed the company to make a significant contribution to the overall economy in the region.

mBank’s President and Chief Executive Officer, Kelly George, equates the community bank experience with upscale dining. He explains, “We take the time to get to know clients. We’re not a ‘fast food bank’ – we’re more fine dining. We don’t want to just get you in and out and super-size you with products you don’t need. We like to sit down with you and go through the full course so we can understand your needs and provide you with the right financial services. The U.P. is fortunate to have a strong community bank platform that can accommodate a wide range of business sizes and industries, with safe and sound local banks for businesses to select from that best fit their needs.”

mBank takes pride in its employees and its ability to create local jobs. George notes, “The workforce in the U.P. is second to none. Our people are the cornerstone of our strength as a community bank.” mBank employs approximately 295 employees, a majority of whom call the Upper Peninsula home. The bank ensures that its employees have the necessary training, skills, and knowledge to be successful. George adds, “We’re proud to have cultivated a company culture where employees can experience career growth and educational opportunities.”

Like most community banks, mBank empowers individuals and small- to medium-sized businesses with smart financing and depository solutions. According to the Independent Community Bankers of America (ICBA), community banks make nearly 50 percent of small business loans and 82 percent of agricultural loans. Granting access to capital for economic growth is one of mBank’s primary goals. In July 2018, ICBA recognized mBank as one of the top community banks nationally in commercial lending initiatives for banks with approximately \$1 billion in assets.

Individuals and businesses alike benefit from a localized approach. George notes, “Probably the biggest difference, and a reason why people bank at community banks, is that the decisions are made locally.

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features

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When someone comes into the bank seeking a loan, we make the decision right there. They don't have to send paperwork to Detroit or Chicago for decisions to be made by individuals with little direct knowledge of the local business ecologies or clients. We can visit a log yard, walk a manufacturing facility, or tour a development project. Our people are empowered to make decisions because they know the customers well and they know the markets. That's our biggest competitive advantage."

Community banks tend to be very active in the communities they serve. mBank contributes monetary investments and countless volunteer hours in areas including education, literacy, human services, animal welfare, and healthcare. The bank and its employees are committed to making an impact – whether donating to Feeding American, supporting the Upper Peninsula Honor Flight program, or helping to fund Beacon House.

Like its peers across the nation, the bank plays a vital role in anchoring its communities through good times and bad. mBank is dedicated to creating local jobs, aiding community initiatives, and providing capital and other resources for small businesses, while partnering to drive economic growth across Michigan's Upper Peninsula. For more information on mBank, please visit www.bankmBank.com.



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michigan legislative spotlight

January's Legislative Spotlight focuses on Key Economic/Political Considerations in 2019

Michigan community banks are a major part of powering Michigan's economy in all areas of the state. Michigan community banks had an outstanding year in 2018 – one of the best years on record. They are strong and vibrant and a vital part of our communities across the Great Lake State. Michigan community banks can play a key role in helping Michigan manage the impacts of any potential downturn – especially working in conjunction with state government and our state legislators. Michigan community banks are the number one lenders to small businesses and to Michigan farmers. In many communities across our state – the local community bank is the only financial institution in town.

The CBM represents over 80 of the 90 banks in the state of Michigan of which nearly half are over 100 years old. We also represent over 120 companies that work with the industry such as law firms, CPA's firms, IT providers, and many others. We have represented the critical interests of Michigan community banks for 46 years - **and we only represent Michigan banks.** We are affiliated with the ICBA, the Independent Community Bankers of America, on the national level. The ICBA represents the interests of over 5000 community banks across the country in Washington D.C.

Our Michigan bank CEO's look forward to working with the distinguished members of the House Financial Services Committee to move Michigan forward for the benefit of all of our residents and those who do business here. Our staff has over 100 years of banking experience so we have walked the walk – not just talked the talk. We look forward to providing you the information you need to make informed legislative decisions for our state. We are concerned about the possibility of a recession during the next two years and plans must be made now to make sure Michigan remains as strong as possible.

Key legislative priorities include:

- Reallocate Department of Treasury discretionary funds from the out of state mega banks that handle all of it now. The state could move this money into community banks and credit unions across Michigan to be lent out into local communities. There is a lot of work to be done and it needs to get done before the next downturn.
- The Department of Insurance and Financial Services has experienced staffing issues in the banking division. Governor Whitmer will need to allocate some resources to this department. The no-fault auto insurance issue will likely get the most attention and rightfully so, but the banking division staff has been raided by federal agencies that have a higher pay scale. The banking division has had 70+ percent turnover in the last couple of years because their people are being hired away by the federal agencies – the FDIC, the Federal Reserve, the OCC, and the CFPB largely because federal examiners make more money and have better benefits. We want state chartered banks as they can be more responsive to the needs of Michigan residents and businesses. If this department continues on this path, it will be difficult to maintain the dual banking system and federal voices will step in to take away our state's ability to manage our banks in the next downturn.
- Reinvigorate lending programs for small business and first time homebuyers through the MEDC and MSHDA. As the economy improved many of these programs did not get the attention they received during tougher times.
- Develop programs to assist Michigan farm families who have been impacted by tariffs and other steps that restrain trade. Michigan farmers, food processors, and agricultural exporters have suffered a great deal in the trade war and need the governor to help lead the way for state and federal relief for the impacted industries.

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michigan legislative spotlight

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- Help foster the creation of new banks in Michigan. There has not been a new bank chartered in Michigan in ten years. Fortunately two are in formation now in SE Michigan. We have 28 Michigan counties with no bank headquartered there. There has not been a new credit union in Michigan in over thirty years. Parts of northern Michigan are not well served by banks now and these communities will continue to slide economically if they cannot get banking services.
- “Fix The Damn Roads” – Michigan badly needs the roads fixed and this slogan helped Governor Whitmer win the election. We hope she can deliver on this campaign promise in a big way – but to fully deliver we need to take action to fix the downside of road construction. Businesses along a road construction route suffer major damage when large road construction projects take place. When customers cannot get to them their cash flow gets squeezed and many businesses have failed because of construction projects – and if the project runs into major delays the problems get worse. Community banks and credit unions will often put business loans on interest only payments during the construction period and then begin principal amortization when the road work is completed. This is the right thing to do but the community banks and credit unions can be criticized by regulators or in some cases forced by the regulators to put the loan back on full payment status while the construction work is still hampering the business. Given that “Fixing The Damn Roads” is a pillar of Governor Whitmer’s platform we need to get legislation passed and have DIFS do an executive order allowing banks and credit unions, even urging banks and credit unions, to make reasonable accommodations for loan payments during construction.
- Banking services for marijuana related businesses. This is an area where the state and the Department of Treasury have been pushing banks hard to service these businesses. This will keep organized crime out of the business and will increase the collectability of tax revenue for the state. The CBM has been working with LARA, the Department of Treasury, DIFS, and the legislature on this important issue. Marijuana remains illegal under federal law and this has been a major issue for banks and credit unions. We need to craft a solution that works for Michigan.
- A State Run bank – this is a very bad idea that should not be pursued. The Treasury Department has voiced on many occasions that they do not support this idea. Some have floated it as a way to help bank marijuana related businesses. This bank would be subject to the same federal legal issues which have complicated the decision for Michigan banks in serving this industry. The state is not in the banking business and cannot regulate itself, nor does it have the expertise or experience to enter into such a heavily regulated business. This would be a poor use of state money and resources and would be strongly opposed by both banks and credit unions.
- Financial Literacy – the CBM fully supports financial literacy efforts and will work with the legislature to help create programs for our schools, our seniors and low to moderate income individuals – frankly anyone who needs help to better manage their finances. The state will need to make this a curriculum item in schools and set aside funds to help develop and implement a program in middle schools and high schools throughout the state.
- Cyber security/data breaches – retailers and businesses have to bear a larger share of the expenses incurred when data breaches occur. Banks have carried the load by having to reassign accounts, reprint checks, reissue debit and credit cards and investigate fraud and losses. The businesses who allowed the breach to take place because they did not take the proper steps to safeguard sensitive information on their customers need to pay more of the costs they create by getting breached. Reasonable notice requirements need to be put in place for large data breaches but care should be taken on how much disclosure is appropriate.

we've made quite a name for ourselves

With over 130 years of experience to guide us, and growth beyond anything our founders could ever imagine, Hastings City Bank is moving up! Your HCB is now Highpoint Community Bank!

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Hastings City Bank becomes Highpoint Community Bank

Mark A. Kolanowski, President and CEO, announced that the Hastings City Bank board of directors has approved an amendment to the Articles of Incorporation to change the name of the bank to Highpoint Community Bank, effective January 21, 2019.

“We have been working over the past year to create a brand that better reflects the diverse communities we serve” said Mr. Kolanowski. “We have expanded to offer more services to more communities and our name wasn’t an accurate reflection of the organization we’ve become. The important things have not changed. We’re still the same people you know and trust and we will continue to deliver above and beyond financial advice and guidance. Our commitment to the communities we serve is higher than ever. We approach our future with a name that is more reflective and inclusive of all the communities we have grown to serve, one that speaks positively to the type of bank we will be as we move forward, and one that also reminds us of the rich traditions bound by service to customer and community that brought us to where we are today. This new chapter brings tremendous energy and excitement to our team of employees. We are dedicated to continuing the high standards that HCB Financial Corp. and Hastings City Bank have always represented.”

Highpoint Community Bank is a subsidiary of HCB Financial Corp., a single bank holding company. The bank holds state bank charter #11, the second oldest in the State of Michigan.

Seven financial services offices are located in Allegan, Barry, Calhoun, Eaton and Kent Counties. Changing the name of the bank does not directly impact HCB Financial Corp.

“We will continue to be referred to as HCB, but now that will reference Highpoint Community Bank” notes Mr. Kolanowski.

ICBA and The Venture Center Announce Startup Fintech Finalists for ICBA ThinkTECH Accelerator

The Independent Community Bankers of America® (ICBA) and The Venture Center today announced the 10 startup companies that have been selected to participate in the ICBA ThinkTECH Accelerator. The first-of-its-kind program exclusively focuses on community bank product development for the benefit of community banks and the customers they serve.

ICBA Chairman-Elect and community banker Preston Kennedy, ICBA Services Network Chief Operating Officer Kevin Tweddle, Venture Center Executive Director Wayne Miller, Arkansas Governor Asa Hutchinson, Arkansas Economic Development Commission (AEDC) Executive Director Mike Preston, and other community leaders will be in attendance today during a kickoff event at The Venture Center in Little Rock, Ark.

“ICBA puts its mission into action with our partnership with The Venture Center,” said Preston Kennedy, president and CEO of Zachary Bancshares Inc. of Zachary, La. “This partnership is a particularly favorable environment from which community banks and financial technology companies will sharpen our shared vision to create products, cultivate solutions, and eliminate barriers to delivering the superior experience that our customers have come to expect.”

“The ICBA ThinkTECH Accelerator is focused on identifying and accelerating the development and growth of early-stage financial technology ventures that will spur the most innovative and beneficial community bank-fintech partnerships,” ICBA Services Network COO Kevin Tweddle said. “The companies selected as finalists have all shown great possibility to fulfill current community banking needs while creating opportunities for the future. It’s all about creating that high-tech, high-touch future of community banking.”

“The Venture Center is honored to produce this program,” The Venture Center’s Executive Director Wayne

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Miller said. “We’re delighted that these companies have chosen to participate in this opportunity, and over the next 12 weeks, I’m confident that we will create some remarkable solutions to address genuine challenges that community banks are facing.”

The 2019 program received 190 applications from early-stage financial technology companies across the U.S. and 39 other countries. The 10 chosen startups are:

- Adlumin, Alexandria, VA
- Agora, New York, NY
- Botdoc, Monument, CO
- CRiskCo, Brisbane, Australia
- Gerald, New York, NY
- KapitalWise, New York, NY
- MK Decision, San Diego, CA
- Sou Sou, Washington, DC
- Teslar by 3E, Fayetteville, AR
- Vetter, New York, NY

The selected companies will participate in a rigorous 12-week bootcamp program at The Venture Center in Little Rock, which is designed to accelerate the development of their financial innovations. The chosen companies will gain direct exposure to thousands of community banks and receive initial investments, along with mentoring and training from ICBA and The Venture Center’s network of mentors and leaders.

“Arkansas is the birthplace of fintech, and the hub of a strong community bank presence. The state continues to make its mark on fintech through our accelerator programs,” Arkansas Governor Asa Hutchinson said. “We are pleased to welcome these 10 startups to Little Rock and look forward to the impact they will have on community banks.”

“Community banks have a significant impact on the U.S. economy,” AEDC Executive Director Mike Preston said. “The State of Arkansas is pleased to serve a role in shaping the future of community banking and supporting fintech startups from across the world through the accelerator.”

The 2019 program will culminate with a live demonstration to an audience of community bankers at ICBA LIVE® in Nashville on March 18. A similar event will also be held at The Venture Center on March 27 for community banking leaders, potential investors and entrepreneurs.

For more information about the ICBA ThinkTECH Accelerator, visit www.icba.org/fintech.

New Part 201 Amendment Passes Both House and Senate

Senate Bill 1244 passed in the House on Tuesday, December 18, by a narrow vote of 56-53. The bill, which passed in the Senate on December 19, and went to the Governor’s desk to be signed into law.

The bill amends Part 201 of the Natural Resources and Environmental Protection Act (NREPA) and allows a person to file a No Further Action (NFA) report before completing remedial actions as long as the person has documented that the remedial actions will sufficiently address any threat to the public health and environment posed by any environmental contamination. Prior to this amendment, persons found liable for environmental contamination needed to complete remedial action that fulfilled requirements set in Part 201 before completing an NFA.

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“This will allow us, as the Environmental Risk Managers, to use practical solutions based upon universally accepted science. Not only will this amendment be satisfactory and protective to the public by following EPA standards, but it will also make Michigan more competitive with a lower cost to comply with environmental regulations,” said Mike Kulka, CEO and Co-Founder at PM Environmental.

The bill modifies the circumstances and requirements according to which the Department of Environmental Quality (DEQ) may carry out environmental remediation, and include the development of and promulgation of cleanup criteria. The new amendment allows a person to handle a potential contamination of the quality of indoor air by a hazardous substance through a variety of methods outlined in the bill.



Michael Kulka

SB 1244 will require the use of Environmental Protection Agency (EPA) final toxicity values for every hazardous substance. This cost saving step uses thoroughly vetted toxicity values instead of requiring the DEQ to develop these values internally without peer review or public comment. For hazardous substances that do not have an existing EPA toxicity value, the new law prescribes a process for developing toxicity values that use the best relevant experimentally measured data created either by other states, the World Health Organization (WHO), Canada, or the European Union (EU).

The new bill was signed by the Governor on December 31, 2018 and it has immediate effect.

Sturgis Bancorp, Inc. Named to 2019 OTCQX Best 50

Sturgis Bancorp, Inc. (STBI) is pleased to announce it has been named to the 2019 OTCQX[®] Best 50, a ranking of top performing companies traded on the OTCQX Best Market last year.

Sturgis Bancorp is the holding company for **Sturgis Bank & Trust Company** (Bank), and its subsidiaries **Oakleaf Financial Services, Inc., Oak Mortgage, LLC, Oak Insurance Services, LLC, and Oak Title Services, LLC**. The Bank provides a full array of trust, commercial and consumer banking services from banking centers in Sturgis, Bangor, Bronson, Centreville, Climax, Colon, South Haven, Three Rivers and White Pigeon, MI. The Bank also has a loan production office in Portage, Michigan. Oakleaf Financial Services offers a complete range of investment and financial-advisory services. Oak Mortgage offers residential mortgages in all markets of the Bank. Oak Insurance Services offers various competitive commercial and consumer insurance products. Oak Title Services offers commercial and consumer title insurance.

The OTCQX Best 50 is an annual ranking of the top 50 U.S. and international companies traded on the OTCQX market. The ranking is calculated based on an equal weighting of one-year total return and average daily dollar volume growth in the previous calendar year. Companies in the 2019 OTCQX Best 50 were ranked based on their performance in 2018.

Eric Eishen, STBI President and CEO, stated, “We are pleased with this recognition as a top performing company for 2018. The Company encourages investors to consider the long-term value of STBI for their portfolios.”

Kelly Potes, ChoiceOne Bank honored

The Grand Rapids Business Journal named Kelly Potes, President and CEO, ChoiceOne Bank, newsmaker of the year in the area of financial services. Sparta-based ChoiceOne Bank has 14 full service branches in Kent, Ottawa, Muskegon, and Newaygo counties after opening up two more locations in 2018. Grand Rapids is home to their new state of the art location and a second opened in Rockford, Michigan.

Congratulations Kelly on this well-deserved honor!

Chemical Financial Corporation and TCF Financial Corporation Announce Merger of Equals to Create a Premier Midwest Bank Headquartered in Detroit

- Creates a premier bank in the Midwest with \$45 billion in assets
- Enhances competitive position by delivering the scale, profitability and predictable performance required to compete and win in an evolving market
- Merger combines two complementary platforms – strengthening each company's standalone growth profile
- EPS accretion, relative to consensus estimates, of 17% to Chemical shareholders and 31% to TCF shareholders; 2.7-year tangible book value per share earn back
- Combined company retains shared values including deep community ties, customer-centric focus and commitment to performance
- Significant operation centers in Minneapolis, Midland and Chicago

Chemical Financial Corporation ("Chemical") (NASDAQ: CHFC) and TCF Financial Corporation ("TCF") (NYSE: TCF) today announced the signing of a definitive agreement under which the companies will combine in an all-stock merger of equals transaction. Under the terms of the agreement, which was unanimously approved by the boards of directors of both companies, TCF will merge into Chemical, and the combined holding company and bank will operate under the TCF name and brand following the closing of the transaction.

The merger combines two complementary banking platforms to create a premier Midwest bank that will be uniquely positioned to capitalize on market opportunities and broaden the channels and customers it serves through increased scale and expanded product offerings. The combined company will have approximately \$45 billion in assets, \$34 billion in total deposits and more than 500 branches across nine states, including four of the top 10 Midwest markets. It will leverage the strengths of Chemical's community banking and wealth management capabilities with TCF's large deposit franchise and expertise in wholesale lending on a national basis.

"With a shared strategic vision and increased scale and capabilities, our two complementary banking platforms will be positioned to better serve our customers and communities," said Chemical's Chairman Gary Torgow. "The combination of TCF and Chemical creates the largest midcap bank in the Midwest, poised to deliver double-digit EPS accretion for each set of shareholders, significant cost synergies, top-tier return metrics, a more diversified balance sheet and a lower risk profile. We also share a deep commitment to supporting and giving back to the communities we serve."

TCF Chairman, CEO and President Craig Dahl said, "We are confident that this merger will enhance our ability to deliver stronger and more sustainable growth and greater value creation than either company could achieve alone. The new TCF will have attractive positions in both its product suite and market footprint as well as a more diversified loan portfolio and increased lending capabilities across asset classes, geographies and industry verticals. Through improved profitability and earnings predictability, we will be able to reinvest in the business to drive multiple growth engines, enhance our ability to compete in the next generation of banking and sustain consistent return on capital for shareholders. We believe the combined company will also create new opportunities for our employees and enable us to attract and retain top talent."

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Strategic Benefits of the Merger

Enhanced scale and capabilities: The combined organization will be strategically positioned to capitalize on market opportunities and better serve its customers throughout several of the largest, most attractive markets in the Midwest. Together, the companies will have the scale to better invest, compete and outperform by leveraging leading market positions and complementary products. Limited overlap of markets and product suites will benefit customers through a consistent go-to-market approach and minimal disruption.

Accelerates achievement of each company's strategic priorities: Complementary operations with limited overlap will broaden the opportunities to drive sustainable growth and increase market share. TCF's strength in national lending verticals complements Chemical's core in-market commercial lending and wealth management offerings. The two banks' shared strengths in infrastructure, digital platforms, and mortgage banking will enhance the combined organization's position while improving efficiency.

More balanced deposit mix and loan portfolio: The combination creates a more diversified deposit mix between retail and commercial business lines and a more balanced loan portfolio across geographies, asset classes and commercial industries. On a combined basis, the company expects to have increased capacity for loan growth while maintaining its current risk thresholds.

Complementary values and community focus: Both organizations share a legacy of developing deep community ties, along with core values centered on customer service, accountability, and adaptability to market changes. The combined organization will have a stronger, deeper leadership team with complementary expertise to drive enhanced operational performance, strategic growth, and risk management. In addition, the combined bank will continue to provide philanthropic, civic, and economic development support to the communities in which it operates.

Financial Benefits of the Merger

The transaction is projected to deliver 17% EPS accretion to Chemical and 31% EPS accretion to TCF by 2020, with a tangible book value earn-back period of 2.7 years. Pro forma merged company financial metrics are based on each company's stand-alone consensus median analyst estimates, estimated combined company cost synergies, anticipated purchase accounting adjustments, and the expected merger closing time-frame. On a pro forma basis, the business is expected to deliver top-tier operating and return metrics with cost savings on a fully-phased in basis, including:

- Return on Average Tangible Common Equity of approximately 19%
- Return on Average Assets of approximately 1.6%, and
- Efficiency ratio of approximately 53%.

In addition, the transaction is expected to generate approximately \$180 million in annual run-rate cost synergies by 2020, with minimal reductions in branches.

Transaction Details

Under the terms of the agreement, TCF shareholders will receive 0.5081 shares of Chemical common stock for each share of TCF common stock based on a fixed exchange ratio, equivalent to \$21.58 per TCF share based on the closing price as of January 25, 2019. Each outstanding share of 5.70% Series C Non-Cumulative Perpetual Preferred Stock of TCF will be converted into the right to receive one share of a newly created series of preferred stock of Chemical. Upon completion of the deal, TCF and Chemical shareholders will own 54% and 46% of the combined company, respectively, on a fully diluted basis.

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Governance and Leadership

The combined company will be headquartered in Detroit and maintain a significant operating presence in Minneapolis as well as Midland and Chicago. The combined company will be led by:

- Gary Torgow, who will serve as executive chairman of the board of directors;
- Vance Opperman, who is the current lead independent director of TCF Financial Corporation's board of directors, will serve as lead independent director;
- Craig Dahl, who will serve as CEO and president;
- Dennis Klaeser, who will serve as CFO;
- Brian Maass, who will serve as deputy CFO and treasurer; and

David Provost will become chairman of the combined bank and Tom Shafer will become president and COO of the combined bank.

Additional leadership team members will be comprised of highly experienced and proven executives that reflect the strengths and capabilities of both banks and will share equally in the integration process.

The combined company's board of directors will have sixteen directors, consisting of eight directors from TCF and eight directors from Chemical.

Timing and Approvals

The merger is expected to close in the late third or early fourth quarter of 2019, subject to satisfaction of customary closing conditions, including receipt of customary regulatory approvals and approval by the shareholders of each company.

As a result of today's merger announcement, both companies have cancelled their previously scheduled 2018 fourth quarter earnings conference calls.

- the integration of the businesses and operations of Chemical and TCF, which may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to Chemical's or TCF's existing businesses;
- business disruptions following the merger; and
- other factors that may affect future results of Chemical and TCF including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Additional factors that could cause results to differ materially from those described above can be found in the risk factors described in Item 1A of each of Chemical's and TCF's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2017. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. Chemical and TCF disclaim any obligation to update or revise any forward-looking statements contained in this press release, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

products + services

Welcome New Associate Members to the Community Bankers of Michigan.

Thank you to the following new members for supporting the association and community banks with innovative products and services.

Heintzelman Accounting Services

2660 Horizon Drive SE, Ste. 210
Grand Rapids, MI 49546
Kathy Heintzelman
1.616.957.2055

Lasco

205 N. Lakeshore Blvd., Ste. 1A
Marquette, MI 49855
Robert Baer
1.906.228.9720

Heintzelman Accounting Services

At Heintzelman Accounting Services we provide a customized, personal accounting solutions for small businesses. We focus on a holistic approach, helping businesses from the inside out to allow them to reach their true profit potential.

Lasco

Lasco, founded in 1967, is an information technology company specializing in financial service core banking software, support services, local and wide area network hardware, communications, server hardware implementation and administration, managed services, security, regulatory requirements consultation, and much more. Lasco is a Michigan based, community bank owned company.



CBM associate member, **ProBank Austin's** Senior Consultant, Michael Moran, enjoyed some surfing with his son over the holidays in San Diego during a family vacation. Mike grew up on Long Island and he and his three brothers worked summers on the beach as lifeguards to help pay for college. It was there he first learned the basics of surfing. It had been over 35 years since he was last seen atop a surfboard catching a wave, and Mike shared he had a blast being back on the water with his son. He claimed it was just like riding a bike and the long-dormant muscle memory and instincts kicked right back in - and those same muscles subsequently reminded him he was no longer 19. With the photo verification that he was alive and well after the morning on the ocean, Mike claimed his surfing days are officially over. His kids are all still keeping a close watch on social media to see if any morning beachgoers caught some of the hilarious failed attempts on his part. When Mike next visits your bank, be sure to ask him about the adventure!

Boenning & Scattergood Announces Promotion of Christopher Chapman

Boenning & Scattergood, Inc., a leading independent securities, asset management and investment banking firm, announced that Christopher Chapman has been promoted to Managing Director in Investment Banking. Mr. Chapman will continue to focus on initiating and executing investment banking transactions for banks, primarily located in the Midwest, as well as heading up the firm's expanding REIT practice.

"We are very excited to recognize Chris for the leadership role he is taking within our investment banking team," commented Chad Hull, Head of Investment Banking at Boenning & Scattergood. "In his six years at Boenning, we have been very impressed with his technical abilities and the strong relationships that he forms with clients and members of our Boenning team. He has played an important role in a number of the firm's notable transactions in recent years."



Christopher Chapman
Managing Director

The financial services industry continues to be an area of focus for Boenning & Scattergood, as evidenced by continuous growth in the community banking sector through recent additions in investment banking as well as the equity research and sales and trading divisions of the firm. The Midwest region has also been an area of growth and investment for Boenning & Scattergood, with additional resources devoted to investment banking, public finance, equity research and institutional sales & trading in recent years, along with planned expansion in the Private Client Group. Last year, the firm opened a Chicago office, after previously establishing a presence in Cleveland and Columbus.

Mr. Chapman has 18 years of experience in the financial services industry and has particular expertise in corporate finance advisory and capital raising for depository institutions and REITs. Prior to joining Boenning, he held positions in investment banking and equity research at firms including Stifel Nicolaus, Ryan Beck and KeyBanc Capital Markets. He has a BA in Economics and Mathematics with a Statistics Concentration from Ohio Wesleyan University and an MBA in Finance from the McCombs School of Business at the University of Texas.

"Chris has been instrumental in the growth and success of our investment banking practice in recent years," commented Harold Scattergood, Chairman & CEO of Boenning & Scattergood. "We know that his long-term relationship approach resonates with clients, and we are very pleased that he is part of our team."

An advertisement for ProBank Austin. The top left features the ProBank Austin logo, which includes a circular emblem with a tree and the text "ProBank Austin". The main headline reads "The Trusted Advisor to Financial Institutions." in large, bold, dark red and black font. Below the headline, a list of services is provided: Education Services, Financial Management, GRC Management, Strategic Consulting, and Investment Banking. On the right side, there is a dark red vertical box containing white text that reads: "With ProBank Austin as your ally, you're gaining more than just a consultant. We are stewards of your business and understand your challenges, making us the perfect partner to provide guidance and security. It's why we build relationships and partners, not clients. Your trust in us to make you successful is what we bank on." At the bottom right, contact information is listed: "Toll Free: 800.523.4778 | Toledo: 419.841.6521" and the website "www.probank.com". The background of the advertisement shows a perspective view of a modern building's facade.

products + services

Save time and money with CBM Endorsed Partners Exceptional products and significant discounts!



When researching new service providers, or rethinking current ones, consider the CBM Preferred Vendor Companies. Those listed below earned the CBM seal of approval, including special pricing for our members. We have completed extensive due diligence with each company available for your review. Explore the revenue-enhancement opportunities with these vendors and improve your bottom line! Give us a call at 517-336-4430 or visit CBM online at www.cbofm.org to obtain more information on the companies listed below.

Ameriprise Financial (formerly IPI) – Retail Investments – Multi-product insurance platform directly through your bank website.
Chris Melton – chris.melton@ampf.com – 636-938-5418

College Ave Student Loans – Student Loans – Loans for both students and parents to assist with undergrad and graduate education costs. Refinance loans available.
Reid Moehn – rmoehn@collegeave.com – 619-865-3395

Computer Services, Inc (CSI) – Board Communications – Secure Document Delivery – Intranet solution combining a series of powerful communication tools and productivity applications in a single portal.
Bill Evers – bill.evers@csiweb.com – 219-929-8337

EBS, a bank consulting company – Executive Benefits – BOLI – Marketing, consulting and service firm specializing in the administration and placement of BOLI programs.
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SHAZAM Executive Named to U.S. Faster Payments Council Leadership

Christensen to serve as acting executive director and interim board chair

Kevin Christensen, SVP of market intelligence and data analytics for SHAZAM Network, has been named acting executive director and interim board chair for the U.S. Faster Payments Council.

Christensen has been involved in this industry-led effort since 2015. As a member of the Faster Payments Task Force, he led the interoperability work group and was a member of the editorial board. Following the work of the task force, Christensen was elected to the Governance Framework Formation Team. The work group is responsible for developing the operating vision for the U.S. Faster Payments Council, of which Christensen now leads and SHAZAM is a founding sponsor.

“I’m thrilled to be leading this organization during its early formation and ensuring the FPC is well-positioned for success in the months ahead,” Christensen said. “With more than 70 member applicants and counting, we’re already seeing a great response from the industry and validation of our mission to ensure all Americans have access to safe, efficient and ubiquitous faster payments.”

“Our goal is to ensure that any U.S. payment system that evolves — card, ACH, wire, faster payments or future systems — has a methodology in which all financial institutions and their customers can be assured to having open, nondiscriminatory access,” he said.

He noted that three work groups are being established to focus on the following areas: safety and security, end-user transparency, and education and awareness. In addition, work groups for fraud information sharing, directory models, and regulations and regulatory guidance will also be formed.

products + services

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Conversations at the Crossroads of Commercial Lending, the ECOA, and Joint Credit

By Mike Kus, CBM General Counsel

Trivia is a Latin word, the plural form of *trivium*, which literally means “a place where three roads meet.” It took on its current meaning in the twentieth century – unimportant facts or details that may be interesting but are not necessarily serious or useful. Today, trivia is the kind of inconsequential information that might be exchanged between strangers that chance to meet at a crossroads. For financial institutions, however, the information exchanged at the intersection of commercial lending and the ECOA, when more than two parties are involved, is anything but trivial.

When it comes to consumer loans, joint applications for credit are an everyday occurrence. Creditors almost always know up front when two or more parties are seeking credit, and can proceed accordingly. Although care must always be taken when requiring the signatures of hypothecators like non-borrowing spouses, it is usually a fairly straightforward process to identify joint loan applicants.



**Mike Kus
Kus, Ryan and
Associates PLLC**

With commercial lending, though, it can be trickier. The relationships between the parties do not always follow the same patterns, making it essential for lenders to know just who is who in order to avoid ECOA pitfalls. Although the primary purpose of the Equal Credit Opportunity Act (15 U.S.C. 1601 *et seq.*) and the CFPB’s Regulation B is to protect consumer loan applicants from unlawful discrimination, it is crucial to bear in mind that protections are also extended to commercial and agricultural loan applicants. The potential penalties and legal repercussions associated with Equal Credit violations for commercial loans are quite serious, and commercial lenders need to understand the role that each party plays in order to mitigate risk.

One important ECOA requirement pertains to loans with joint applicants. Section 1002.7(d) *Signature of spouse or other person*, addresses the limitations on who can be required to execute loan documents. Section 1002.7(d)(1) of Regulation B sets forth a basic rule of equal credit:

- (1) *Rule for qualified applicant.* Except as provided in this paragraph, a creditor shall not require the signature of an applicant’s spouse or other person, other than a joint applicant, on any credit instrument if the applicant qualifies under the creditor’s standards of creditworthiness for the amount and terms of the credit requested. * * * * *

As noted above, exceptions to this general rule are provided for the signatures of hypothecators, including non-borrowing spouses, when they are necessary to perfect a security interest in collateral. If a creditor’s underwriting standards call for the personal liability of an additional party, another exception allows a creditor to request a co-signer, guarantor, endorser, or similar party (§ 1002.7(d)(5)). Except for those few carve-outs, however, if a credit applicant qualifies on their own, a creditor cannot require another party to sign loan documents.

Regulation B § 1002.2(e) defines “applicant” as:

- (e) *Applicant* means any person who requests or who has received an extension of credit from a creditor, and includes any person who is may become contractually liable regarding an extension of credit. For purposes of section 1002.7(d), the term includes guarantors, sureties, endorsers, and similar parties.

The qualifying language in the second sentence that refers to 1002.7(d), clarifies that the equal credit protections afforded to credit applicants also apply to any party that may be signing in their capacity as a guarantor, surety, endorser, or similar party. It is not intended to establish that guarantors, sureties, endorsers, and similar parties are joint applicants. The CFPB’s Official Staff Commentary to Regulation B for § 1002.7(d)(1) makes this clear when it states, in Comment 2 (*emphasis added*):

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2. *Joint applicant.* The term “joint applicant” refers to someone who *applies contemporaneously with the applicant for shared or joint credit.* It does not refer to someone whose signature is required by the creditor as a condition for granting the credit requested.

Comment 2 provides two crucial pieces of information that can help creditors determine just who is who in a commercial credit transaction. As the second sentence makes clear, parties that are signing documents solely to hypothecate their interest in any collateral in order to allow a lender to perfect its security interest are not “joint applicants.” Equally important – and this is no trivial distinction – a party is not a joint applicant unless that party *applies for credit at the same time as the applicant.*

Regulation B prohibits creditors from requiring the signature of another person if an applicant is individually creditworthy. Because a creditor will not be able to determine whether a person (including a business entity) is – or is not -- individually creditworthy until after their credit application has been submitted and evaluated, any decision to counteroffer credit under different terms must necessarily occur after the applicant has applied for credit. Consequently, any additional party that a creditor may subsequently require as a condition of the transaction, such as a co-signer or guarantor, cannot be a joint applicant, because that party did not apply for credit contemporaneously with the applicant. In other words, Comment 2 makes it clear that hypothecators, guarantors, sureties, endorsers, and similar parties – while they are “applicants” for purposes of Regulation B’s section 1002.7(d) – are not *joint* applicants for purposes of Regulation B.

Because of the Regulation B requirements, it is essential that creditors understand just who is applying for commercial credit, and who may be playing a different role in the transaction. When it comes to commercial loan applicants that are business entities with clearly established legal structures, such as corporations, partnerships, and limited liability companies, creditors understand that it is the legal entity that is applying for credit, not the individuals with whom they are doing business. In those cases, lenders can rely on the representations made in the resolutions or certifications that their loan policy requires be furnished by that entity to understand who is playing what role in a transaction. With properly executed resolutions or certifications in hand, a lender can be sure that any individual signing an application or a loan document is acting on behalf of the business entity in their official capacity, and not as an individual personally liable for the indebtedness.

For commercial loans that do not involve legal entities, it is essential for lenders to clearly establish that the purpose of the loan is for commercial or business purposes (and not for personal, family or household purposes). This is necessary in order to clearly establish that the loan is not subject to Regulation Z or RESPA, which is typically accomplished by obtaining an affidavit of business purpose (or similar sworn statement) from the applicants. During this process the lender should also establish who is seeking credit – that is, who will be signing the credit instrument – and who, if anyone, is serving another purpose, such as hypothecator or guarantor.

When might a commercial loan involve more than one applicant? For commercial loans involving clearly defined legal entities, one example is a joint venture, where multiple entities are joining together to seek credit. For commercial loans to individuals, a joint application might involve two or more individuals – who may or may not be married to each other -- who apply together for credit to buy vacant land to start a business, or to buy an investment property. In either case, whenever two or more parties are seeking credit together, a joint application is involved.

When it has been determined that two or more parties are seeking joint credit, Regulation B requires creditors to obtain written documentation of that fact. The Official Staff Commentary to Regulation B provides clear guidance for how this can be accomplished. Comment 3 to § 1002.7(d)(1) states (*emphasis* added):

3. *Evidence of joint application.* A person’s intent to be a joint applicant *must be evidenced at the time of application.* Signatures on a promissory note may not be used to show intent to apply for joint credit. On the other hand, signatures or initials on a credit application affirming applicants’ intent to apply for joint

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cbm legal corner

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credit may be used to establish intent to apply for joint credit. (See appendix B.) *The method used to establish intent must be distinct from the means used by individuals to affirm the accuracy of information.* For example, signatures on a joint financial statement affirming the veracity of information are not sufficient to establish intent to apply for joint credit

This Comment makes it clear that creditors need to establish the intent to apply for joint credit at the time of application. This is typically accomplished by having the applicants sign or initial a statement of intent to apply for joint credit on the written loan application that is separate and apart from the signatures on the application itself. However, any documentation that is signed by the joint applicants at the time of application is sufficient for this purpose, including a separate form. If multiple business entities are applying for joint credit, the intent to obtain joint credit can be documented a number of ways, including a statement of intent on the application, or any other documentation executed in the connection with the transaction that clearly establishes that the entities are jointly seeking credit.

The fact that a loan with a borrower, a hypothecator, and a guarantor involves three applicants but no joint applicants may be unimportant information for most people, is it nevertheless serious and useful information for a commercial lender. Although it may be trivia, commercial lenders know it's not a trivial distinction.

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Brian Vitale, Compliance Advisory Services

4/4/2019

Mobile Device Risks, Records & Compliance Rules: Managing Your BYOD & COPE Policies & Procedures
Nancy Flynn, The ePolicy Institute™

4/23/2019

Hacking the Weakest Link: The Role of Staff in Maintaining IT Security
Brian Self, Brian Self Consulting

5/15/2019

Hot Issues in Cyber Compliance
Randall J. Romes, CliftonLarsonAllen LLP

6/27/2019

Card Data Security: PCI-DSS Risk, Readiness & Compliance
Randall J. Romes, CliftonLarsonAllen LLP

8/15/2019

FFIEC Cyber Security Risk Assessments: Policy, Recent Findings & Recommendations
Randall J. Romes, CliftonLarsonAllen LLP

9/18/2019

Mitigating a Data Breach: Forensics & Incident Response
Randall J. Romes, CliftonLarsonAllen LLP

9/26/2019

Emerging Trends & Developments in Online, Mobile & Digital Channels
Hannah Day, Jack Henry & Associates, Inc.®

LENDING

1/9/2019

Credit Analysis & Underwriting Series:
Regulator Issues & Update for the Credit Analyst
S. Wayne Linder, Young & Associates, Inc.

1/15/2019

2018 HMDA Submission Due March 1, 2019 Part 1: Identifying Reportable Loans, Data Integrity & FIG Analysis
Susan Costonis, Compliance Consulting and Training for Financial Institutions

1/23/2019

2018 HMDA Submission Due March 1, 2019, Part 2: Requirements, Clearing Edits, Exempt Fields & More
Susan Costonis, Compliance Consulting and Training for Financial Institutions

1/24/2019

Determining Cash Flow from Personal Tax Returns After 2018 Tax Reform Part 1:
Newly Revised Form 1040 & Schedules B & C
Tim Harrington, TEAM Resources

1/29/2019

Credit Analysis & Underwriting Series:

Analyzing Financial Statements for the Credit Analyst
S. Wayne Linder, Young & Associates, Inc.

1/31/2019

SBA Lending 2019 Update:
Guidance on the Latest Changes to Policies, Procedures & Documentation
Kimberly A. Rayer, Starfield & Smith, PC

2/21/2019

Credit Analysis & Underwriting Series:

Debt Service Coverage Calculations in Underwriting
S. Wayne Linder, Young & Associates, Inc.

2/25/2019 Monday

Determining Cash Flow from Personal Tax Returns After 2018 Tax Reform Part 2: Schedules D, E & F
Tim Harrington, TEAM Resources

3/20/2019

Required Compliance for Commercial Loans Secured by Real Estate
Susan Costonis, Compliance Consulting and Training for Financial Institutions

3/26/2019

Credit Analysis & Underwriting Series:

Global Cash Flow Analysis for Underwriters & Credit Analysts
Aaron Lewis, Young & Associates, Inc.

4/17/2019

Flood Insurance Compliance for Commercial Lending: Unique Issues & Case Studies
Susan Costonis, Compliance Consulting and Training for Financial Institutions

4/22/2019 Monday

Top 20 Questions About Completing the TRID Loan Estimate & Closing Disclosure
Steven Van Beek, Howard & Howard Attorneys PLLC

4/25/2019

Advanced Credit & Risk Management in Agricultural Lending
Dr. David Kohl, Virginia Tech

4/30/2019

Escrow Account Compliance, Including Shortages, Surpluses & Deficiencies
Ann Brode-Harner, Brode Consulting Services, Inc.

5/1/2019

Troubled Debt Restructuring: Identifying & Accounting for Impaired Loans
Todd Sprang, CliftonLarsonAllen LLP

5/9/2019

Developing & Delivering an Effective Loan Presentation
Aaron Lewis, Young & Associates, Inc.

5/23/2019

Advanced Commercial Loan Documentation
Doug Blay, Brode Consulting Services, Inc.

5/29/2019

Military Lending Act & SCRA: Compliance & Lessons Learned
Michael Christians, Michael Christians Consulting, LLC

6/6/2019

Mortgage Lending Hot Spots Series:

Construction-Only & Construction-to-Permanent Lending
Bill Elliott, Young & Associates, Inc.

7/10/2019

Mortgage Lending Hot Spots Series:

Surviving a TRID Compliance Exam
Steven Van Beek, Howard & Howard Attorneys PLLC

7/15/2019 Monday

Introduction to SBA Lending
Kimberly A. Rayer, Starfield & Smith, PC

7/25/2019

From Prospect to Customer: Skills & Tools for Successful Business Development
Tim Tivis, Pinnacle Training Group

8/8/2019

Mortgage Lending Hot Spots Series:

Adverse Action in Mortgage Lending: Compliance, Notices & Best Practices
Ann Brode-Harner, Brode Consulting Services, Inc.

8/14/2019

What Are Those Business Tax Returns Telling Me?
Tim Harrington, TEAM Resources

9/11/2019

Mortgage Lending Hot Spots Series:

Appraisal & Evaluation Guidance on Collateral Valuation
S. Wayne Linder, Young & Associates, Inc.

10/7/2019 Monday

Mortgage Lending Hot Spots Series:

Demystifying Rules for TRID Tolerances
Steven Van Beek, Howard & Howard Attorneys PLLC

10/24/2019

Commercial Loan Annual Credit Review
S. Wayne Linder, Young & Associates, Inc.

11/12/2019

Mortgage Lending Hot Spots Series:

Uniform Residential Loan Application (URLA) Line-by-Line, Required February 1, 2020
Ann Brode-Harner, Brode Consulting Services, Inc.

11/21/2019

When a Borrower Dies: Rules, Procedures & Liabilities
Elizabeth Fast, Spencer Fane LLP

12/11/2019

Dealing with Joint Signers in Consumer & Real Estate Lending
Bill Elliott, Young & Associates, Inc.

education

LENDING (CONT.)

12/17/2019

Securing Collateral: How to Complete & File UCC-1 Financing Statements
Elizabeth Fast, Spencer Fane LLP

MARKETING

3/6/2019

Federal Requirements for Tech-Based Marketing: Websites, Social Media, Robo Calls & More
Steven Van Beek, Howard & Howard Attorneys PLLC

10/29/2019

12 Key Elements of an Effective Digital Marketing Strategy
Eric C. Cook, WSI Internet Consulting

11/7/2019

Top 10 Compliance Mistakes in Advertising
Steven Van Beek, Howard & Howard Attorneys PLLC

OPERATIONS

1/8/2019

Record Retention & Destruction Rules: Paper & Electronic
Elizabeth Fast, Spencer Fane LLP

2/5/2019

ACH Specialist Series:
ACH Tax Refund Exceptions, Posting & Liabilities
Michele L. Barlow, PAR/WACHA

2/6/2019

Right of Setoff on Deposit Accounts & Loans: Legal Issues
Elizabeth Fast, Spencer Fane LLP

2/13/2019

Prepaid Cards: Your Bank's Responsibilities Under the New Rules, Effective April 1, 2019
Elizabeth Fast, Spencer Fane LLP

2/26/2019

ACH Specialist Series:
ACH Dispute Resolution
Michele L. Barlow, PAR/WACHA

2/28/2019

Debit Card Chargebacks: Understanding Visa Claims Resolution
Diana Kern, SHAZAM, Inc.

Title Change 11/29/2018

3/13/2019

Debit Card Chargebacks: Understanding Mastercard Dispute Resolution
Diana Kern, SHAZAM, Inc.

Title Change 11/29/2018

3/14/2019

ACH Specialist Series:
2019 ACH Rules Update
Michele L. Barlow, PAR/WACHA

3/21/2019

Banking Marijuana-Related Businesses
Dawn Kincaid, Brode Consulting Services, Inc.

4/15/2019 Monday

ACH Specialist Series:

Liability with ACH Death Notification Entries (DNEs) & Reclamations
Michele L. Barlow, PAR/WACHA

5/16/2019

ACH Specialist Series:

Top 10 Ways to Mitigate ACH Payment Risk
Shelly Sipple, EPCOR

5/30/2019

ACH Specialist Series:

ACH Stop Payments vs. Unauthorized Extended Returns: Know the Difference
Jen Kirk, EPCOR

6/5/2019

Handling Dormant Accounts, Unclaimed Property & Escheatment
Elizabeth Fast, Spencer Fane LLP

6/17/2019 Monday

Untangling Complex RDFI Challenges
Shelly Sipple, EPCOR

6/18/2019

Electronic Returned Items: Combating Fraud
Dawn Kincaid, Brode Consulting Services, Inc.

6/20/2019

Regulation E Series:

Reg E Fundamentals
Michele L. Barlow, PAR/WACHA

7/17/2019

Regulation E Series:

Legally Handling ATM & Debit Card Claims Under Regulation E
Elizabeth Fast, Spencer Fane LLP

7/18/2019

Wire Transfer Compliance, Including International Remittances
Dawn Kincaid, Brode Consulting Services, Inc.

8/5/2019 Monday

Official Demands Part 1: Handling Subpoenas, Summonses & Other Legal Process
Elizabeth Fast, Spencer Fane LLP

8/22/2019

Regulation E Series:

How to Handle Unauthorized Electronic Fund Transfers Under Reg E
Elizabeth Fast, Spencer Fane LLP

8/28/2019

Effective Management of Credit Report Disputes: Completing ACDVs, AUDs & Correcting Joint Credit
David A. Reed, Reed & Jolly, PLLC

9/5/2019

Official Demands Part 2: Handling Garnishments, Levies & Judgment Liens
Elizabeth Fast, Spencer Fane LLP

10/8/2019

When a Depositor Dies: Legal Requirements, Practical Issues & FAQs

Elizabeth Fast, Spencer Fane LLP

10/10/2019

Regulation E Series:

Reg E Requirements for Debit Card Error Resolution: Processing, Disclosure & Investigation

Michele L. Barlow, PAR/WACHA

10/31/2019

1099 Reporting: Foreclosures, Repossessions & Debt Settlements

Elizabeth Fast, Spencer Fane LLP

11/14/2019

Regulation E Series:

Provisional Credit Under Reg E: Rules, Best Practices & FAQs

Elizabeth Fast, Spencer Fane LLP

11/26/2019

Understanding & Navigating ACH Rules for ODFIs

Shelly Sipple, EPCOR

12/3/2019

IRS Reporting Requirements: 1098s, 1099s, TINs & Back-up Withholding

David A. Reed, Reed & Jolly, PLLC

12/4/2019

ACH Error Resolution: Returns, Authorizations, WSUDs, Stop Payments & More

Michele L. Barlow, PAR/WACHA

12/12/2019

Safe Deposit Issues: Delinquency, Death & Abandonment

Elizabeth Fast, Spencer Fane LLP

SECURITY & FRAUD

4/16/2019

Board Reporting Series:

Security Officer Reports to the Board: Fulfilling Your Annual Requirement

Barry Thompson, Thompson Consulting Group, LLC

5/6/2019 Monday

Accurately Completing the SAR Line-by-Line

Dawn Kincaid, Brode Consulting Services, Inc.

7/11/2019

FinCEN Guidelines on Reporting Elder Financial Exploitation

Susan Costonis, Compliance Consulting and Training for Financial Institutions

8/7/2019

New Security Officer Training: Responsibilities, Best Practices & Skill-Building Tools

Barry Thompson, Thompson Consulting Group, LLC

11/19/2019

Robbery Preparedness: Meeting Your Annual Compliance Requirement

Carol S. Dodgen, Dodgen Security Consulting, LLC

SENIOR MANAGEMENT

1/14/2019 Monday

FFIEC Exam Procedures for Business Continuity

Molly Stull, Brode Consulting Services, Inc.

2/7/2019

C-Suite Series:

CAMELS Rating for Executives

Ann Brode-Harner, Brode Consulting Services, Inc.

2/12/2019

Board Reporting Series:

Board Secretary Procedural & Compliance Responsibilities

Dawn Kincaid, Brode Consulting Services, Inc.

3/5/2019

Board Reporting Series:

Essential Board Reporting: Requirements, Timing,

Delivery Options, Risks & Concerns

Ann Brode-Harner, Brode Consulting Services, Inc.

3/7/2019

C-Suite Series:

Strategic Decisions Regarding CECL Methodologies, Processes & Governance

Bob Viering, Young & Associates, Inc.

4/3/2019

C-Suite Series:

Enterprise Risk Management: Three Key Risk Assessments

Marcia Malzahn, Malzahn Strategic

4/24/2019

C-Suite Series:

Asset Liability Management Strategies in a Rising Rate Environment

Gary J. Young, Young & Associates, Inc.

5/22/2019

The UBPR: Understanding Peer Group Comparison to Improve Bank Performance

Gary J. Young, Young & Associates, Inc.

8/1/2019

Outsourcing Tech Services:

Regulations, Examiner Expectations & Actions for Vendor Management

David A. Reed, Reed & Jolly, PLLC

8/13/2019

Developing the Right Strategic Plan for Your Bank

Marcia Malzahn, Malzahn Strategic

Webinars are scheduled from 2:00 - 3:30 PM Central Time unless otherwise indicated.



UPCOMING DATES BY EVENT 2019

HR Symposium

February 21, 2019
Eagle Eye Golf Club - Bath, MI

Risk, Response, Reputation Seminar

February 28, 2019
CBM Training Center – East Lansing, MI

Michigan Bank Directors' College

March 12, 2019
Eagle Eye Golf Club – Bath, MI

ICBA Live

March 18-22, 2019
Omni Hotel – Nashville, TN

Credit Risk Training Series – Part 1

April 23-24, 2019
CBM Training Center – East Lansing, MI

ICBA Capital Summit

April 28-May 1, 2019
Washington, D.C.

FDIC Directors' Training

May 3, 2019
Crowne Plaza – Lansing, MI

Credit Risk Training Series – Part 2

July 10-11, 2019
CBM Training Center – East Lansing, MI

Community Bankers for Compliance (CBC)

March 5, 2019
May 21, 2019
August 13, 2019
November 19, 2019
Eagle Eye Golf Club – Bath, MI

CBM Annual Convention & Trade Show

September 25-27, 2019
Grand Traverse Resort & Spa – Traverse City, MI

Be sure to check our website frequently as programs are added and updated.



PROTECT YOUR BANK'S REPUTATION

RISK, RESPONSE, REPUTATION SEMINAR

February 28, 2019

8:00 AM Registration
Lunch Included
8:30 AM - 4:00 PM Program
CBM Training Center
East Lansing, MI

COMMUNITY BANKERS FOR COMPLIANCE PROGRAM

A sensible, economical choice for keeping your bank's compliance program running smoothly

Each year community banks face an array of ever-changing regulations. Getting the right information at the right time and finding a cost effective approach to managing compliance is critical to operating a bank today. In response to this need, Community Bankers of Michigan offers the Community Bankers for Compliance program in conjunction with our partners Young & Associates, Inc. and Kus, Ryan & Associates, PLLC.

Now beginning its thirtieth year, this comprehensive program provides community banks with a cost-effective approach to obtaining up-to-date information concerning bank regulations and practical techniques for maintaining an effective in-bank compliance program.

The Community Bankers for Compliance Program:

Reduces Risk. The CBC reduces compliance errors, since your employees have a better understanding of regulatory requirements. Additionally, the compliance program has passed the test of regulatory scrutiny. The regulators know and recognize the program for its comprehensiveness and practicality.

Saves You Time and Money. The nationally recognized experts at Young & Associates spend nearly 300 hours translating each regulation into understandable language, developing model policies, training instruments, and audit procedures. This is time your bank's staff doesn't have to spend and, thereby, creates bottom-line savings to your bank.

Provides Practical Solutions. Young & Associates has full-time consultants participating in the CBC program. All have front-line community banking experience. They know how to tap this practical experience to make every seminar and publication as helpful as possible.

Encourages Member Interaction. The CBC program provides a forum where each bank can be an active participant by asking questions and bringing concerns and compliance techniques for review by the group. This peer interaction increases understanding and improves the efforts of participants toward a viable in-bank compliance program.

The Community Bankers for Compliance program can simplify your bank's compliance challenges by delivering timely compliance updates, both weekly and monthly.

It is not too late to enroll your bank for the 2019 program!
For a detailed brochure and to enroll, please visit www.cbofm.org

Questions??? Contact Sarah Cook at 517-336-4430 or sarahcook@cbofm.org

community connections

James R. Milroy to become President & CEO of 1st State Bank

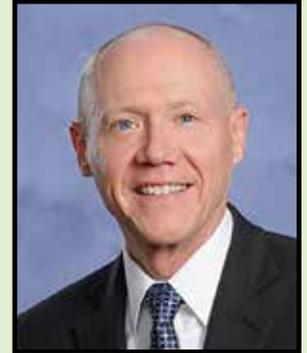
The Board of Directors of 1st State Bank is pleased to announce the appointment of James R. (Jim) Milroy as the bank's new President and CEO, effective in April of 2019. The appointment is part of a planned succession of current President & CEO Rick Goedert, who is retiring on April 12, 2019. Goedert will continue to serve on the Board of Directors of 1st State Bank.

Milroy joined 1st State Bank in 2007 as Senior Vice President and Chief Financial Officer and was promoted to Executive Vice President in 2013. In May 2018, Milroy was appointed to the Board of Directors. In addition to his duties as Chief Financial Officer, Milroy oversees various functions within the bank including deposit operations, information systems, human resources, compliance and audit.

Prior to joining 1st State Bank, Milroy led Shoreline Bank in Benton Harbor, Michigan as President. After a merger with Chemical Bank, Milroy transferred to their headquarters in Midland in 2002, serving as the company's EVP Chief Operating Officer and Chief Risk Management Officer. Milroy has 28 years of banking experience.

Milroy is a graduate of Michigan State University with a Bachelor of Arts Degree in Accounting. Upon graduation, he joined CPA firm Crowe Chizek initially in Michigan City, Indiana and subsequently in their Grand Rapids, Michigan office, serving in their financial institutions audit group. Milroy is also a graduate of the Stonier Graduate School of Banking.

Actively engaged in the Great Lakes Bay Region, Milroy's current involvement includes Treasurer, Board of Directors Covenant Healthcare; Vice Chairman, Junior Achievement of North Central Michigan; Investment Committee member, Saginaw Community Foundation; and Treasurer, Saginaw Valley Lutheran Foundation. He has also given his time to Saginaw Valley Lutheran High School, serving on the board and in other volunteer capacities and is a graduate of the Great Lakes Bay Regional Alliance Institute for Leaders.



Jim Milroy



Benjamin Schott

Benjamin F. Schott appointed as new CEO

The Board of Directors of Thumb Bank & Trust proudly announce that upon the recent retirement of CEO Jay C. Dubey, the Bank has appointed Benjamin F. Schott as CEO. Schott began his banking career with Thumb Bank & Trust as a co-op student in 1991. Early in his career Schott held positions in credit administration and financial planning. Schott progressed through the ranks at Thumb Bank & Trust and most recently served as Chief Operating Officer.

"We have a great team and I am excited to build upon that team as we continue to provide quality products and services to our customers throughout the Thumb and Bay Regions. The incredible support from the Board, the executive team, employees, and customers is inspiring. I feel honored to be a part of this organization," stated Schott.

Schott graduated from Central Michigan University with a Bachelor of Science in Business Administration with a major in finance. Schott also attended the Robert Perry School of Banking and the Midwest Trust School and is a Certified Financial Planner®. Schott is a current member and past president of the Cass City Gavel Club, and current treasurer of the Cass City Boys Little League.

Northpointe Bank welcomes new Senior Loan Officer

Brent Dean has joined Northpointe Bank's Grand Rapids lending team as a senior loan officer in Michigan. He is responsible for attracting and cultivating business relationships with a complete focus on the customer, listening and acting to exceed client expectations.

Brent comes to Northpointe Bank with more than 18 years of mortgage experience with his most recent experience at Prime Lending.

The Board of Directors of The Miners State Bank, Iron River, Michigan is proud to announce the following promotions

Andy Herro to Senior Vice President – Commercial Lending Officer. Andy started with the bank in 2010 as a credit analyst before transitioning to a lender and eventually leading the commercial department. Andy is located in the Marquette Loan Office.

Andy completed the Perry School of Banking and the Graduate School of Banking – Madison. He has an Accounting degree from Northern Michigan University and an Executive Leadership Certificate from the University of Wisconsin. Andy is currently completing his MBA at UMass. He believes that education is the frame but that relationships should always be the picture. “People want to work with someone who is knowledgeable, but more importantly, people want to work with someone they trust and like.”

President/CEO Paul Hinkson had this to say about Andy, “Andy has been an asset for his customers and the bank and continues to make an impact as a leader.”



Andy Herro



Toni Aldegarie

Toni Aldegarie to Assistant Vice President. In addition to her recent promotion, she will continue to serve as the Regional Branch Manager and New Accounts Manager, for the locations in Iron River, Houghton, Hancock, and Ontonagon. “Toni continues to make an impact at the Bank. Her positivity, management abilities, and training efforts are pushing our customer service to new highs,” said Tina Isaacson, COO.

Toni received her Bachelor’s Degree from Northern Michigan University in 2009. She has been with the Bank since 2012.

Jean Ralston started her banking career as a teller/customer service associate and in consumer lending as a loan processor with The Miners State Bank in August of 1996. Jean grew up in Iron River, graduated from West Iron County Schools, and earned her college degree at Davenport College of Business in Grand Rapids. For the past 12 years she has worked in the commercial lending department and serves as the Commercial Lender for the Iron River Office. “The Miners State Bank’s emphasis has always been on excellent customer service. It’s a privilege to be a part of The Miners State Bank team and I look forward to continuing to serve our customers and our community well.”



Jean Ralston



Nancy Johnson

Nancy Johnson to Vice President/Branch Manager for the Iron River Michigan location. Nancy has been with the bank for over 28 years and states “I am grateful to The Bank for the opportunity to have worked and trained in nearly all aspects of Retail Banking. The Miners State Bank shares my values of commitment to the community, loyalty to our customers, exceptional customer service, and business with integrity.” Nancy is a graduate of West Iron County High School and received a Bachelor’s Degree in Business Management from Lake Superior State University.

Karen Shamion to Assistant Vice President, and will continue to serve as the Certified Community Bank Internal Auditor, BSA, and Compliance Officer.

Karen has been with the bank since 2005, starting out in customer service as a Teller. She has held the role of Compliance officer Since 2014. President/CEO Paul Hinkson had the following to say, “Karen transitioned seamlessly from customer service to compliance and continues to grow within that role. She is vital to the safety and soundness of the bank.”

Karen was born and raised in Appleton WI and moved to Iron River, MI in 2005 to raise their family. Karen Says “Iron County has so much to explore and that’s why it’s a great community to raise a family. The value of community is fostered by our staff and management at The Miners State Bank.”



Karen Shamion

community connections

County National Bank Commits \$10,000 to Hope and Encouragement for Humanity

County National Bank (CNB) recently committed to a \$10,000 donation to Hope and Encouragement for Humanity (HEH). The contribution demonstrates support for the organization and its ongoing mission of bringing hope and encouragement to humanity by meeting the physical and spiritual needs of those in distressed circumstances.

Hope and Encouragement for Humanity is a non-profit organization based in Blissfield that is dedicated to changing the world through disaster relief, outreach, and community resources. HEH forms strategic partnerships with other likeminded organizations and ministries and in the spirit of mutual respect and cooperation to fulfill their mission.

In 2018, the organization distributed over 150 semi-truck loads of food, water and other supplies to those in need around the country. As the group has grown over the last 15 years it was necessary to purchase an additional warehouse, which was possible with the help of County National Bank. HEH relies solely on donations in order to operate, and no members of the organization are paid a salary.



Chris Clarke, Vice President Commercial Loans, said, “CNB is proud to associate with Hope and Encouragement for Humanity. The work they do in Lenawee County alone is truly amazing and our financial support will help with individuals and organizations that have experienced traumatic events or situations that no one could anticipate.” County National Bank recognizes the importance of supporting nonprofits and organizations committed to serving the community, banking on building a better future for all.

County National Bank Announces Promotion

Craig S. Connor, Chairman and CEO of County National Bank (CNB), is pleased to announce that the Board of Directors has approved the promotion of Melissa Stroede to Assistant Vice President – Treasury Management.

Melissa has been with CNB for nearly 14 years. Prior to her previous two years in Treasury Management, she was the Branch Manager at CNB’s Horton Road location. According to Kelly Jensen, Vice President – Branch Administrator, “Melissa continues to be influential in all our markets as she builds and expands customer relationships through our products and Treasury Management services.”

Melissa received her Associates Degree from Baker College in Accounting and Business Management. She has completed various courses on management and leadership, received a Certificate of Completion for the John Connors courses for Leadership Training and Customer Excellence, and received her Branch Manager’s Certification through the Michigan Bankers Association.

Melissa is a familiar face at many community events. Melissa has also served on several boards and committees, including the Henry Ford Allegiance Health Governance Team, Pulaski Township, Ella Sharp Museum Finance, and the Shop Rat Foundation. Melissa continues to give back to the community through her volunteering and involvement with Junior Achievement, the Hanover Horton Athletic Boosters, and the Jackson United Way Campaign.



Melissa Stroede

County National Bank Donates \$1,000 to Nonprofit Network

County National Bank recently donated \$1,000 to the Nonprofit Network to assist the organization in providing education and resources to nonprofit organizations. The money will be used to make sure that nonprofits have access to the technical support they need to grow and thrive. The Nonprofit Network teaches executive directors how to be executive directors and board members how to be board members, and strengthens internal structure to allow organizations to provide their services more efficiently and effectively.

Nonprofit Network Executive Director Regina Pinney has been with the organization since 2009. She says that she appreciates the opportunity to work with so many passionate, creative and inspiring individuals who are so committed to their community and willing to utilize their own precious resources to serve and to help. While teaching executive directors how to be executive directors and board members how to be board members, the Nonprofit Network can provide simple strategies, and effective tools that can transform an organization and help it scale for optimal impact.

County National Bank recognizes the importance of supporting nonprofits, serving the community, building a better future for all.



*Katena Cain, Nonprofit Network Consultant,
and Barry Malek, CNB Assistant Vice President - Trust*

The State Bank partners with The Food Bank of Eastern Michigan for the 17th straight year

SUCCESSFUL HOLIDAY CAMPAIGN FOR THE STATE BANK AND THE FOOD BANK OF EASTERN MICHIGAN

The State Bank is proud to announce a record breaking year in their campaign to raise funds for the Food Bank of Eastern Michigan. This year, the bank's fourteen Genesee, Shiawasee, Oakland and Saginaw County branches participated in various fundraisers, including collecting donations from customers, candle and candy bar sales. The branches have friendly competitions to see who can raise the most funds for this great cause.

The bank was proud to join the Food Bank of Eastern Michigan at a Flint Firebirds game to present them with a check for \$37,842.50. In the 17-year partnership between the two organizations, The State Bank has contributed a total of \$224,706 – or 1,348,236 meals – to fight hunger right here in the community.

“At The State Bank, we take great pride in giving back to the communities in which we serve and doing so through the Food Bank of Eastern Michigan is a great fit. The services they offer help combat one of the biggest problems we face in this area, and we are happy to do whatever we can to join in on that fight,” Ron Justice, President and CEO, The State Bank.

Kara Ross, President of the Food Bank of Eastern Michigan, adds “The holidays are a critical time of year, when the need to help the hungry is at its peak. It is because of long standing partners, like The State Bank, that the Food Bank is able to meet the increased demand and help local families put food on the table.” Olson graduated from the Michigan Bankers Association Perry School of Banking.



community connections

ChoiceOne Bank announces promotions

Sparta-based ChoiceOne Bank said last week it promoted Troy Butler III, Scott Jennings, John Mousel and Carrie Olson.

Butler's position is newly created, and the rest are filling vacancies.

"It is with great pleasure that I announce the promotions of these well-deserving individuals," said Kelly Potes, president and CEO, ChoiceOne Bank.

"As we continue to grow our community bank franchise into West Michigan, it's important to broaden our levels of service and expertise to fulfil our mission, which is to provide superior service, high-quality advice and show our utmost respect to everyone we meet. This team of leaders does this exceptionally well."

Troy Butler III

Butler was named Grand Rapids market executive. He is responsible for driving growth by creating loan, deposit and brand awareness opportunities for ChoiceOne Bank in Grand Rapids, while assisting the Grand Rapids team in meeting its goals.

He joined ChoiceOne Bank in 2016 as vice president, commercial lender and Grand Rapids sales executive. Prior to joining ChoiceOne, Butler was vice president, business banker with First Community Bank in Grand Rapids. He has 20 years of banking experience.

Butler received a B.A. in finance from Michigan State University and an M.B.A from Western Michigan University.

Scott Jennings

Jennings was named vice president, collections and special assets department manager. He will plan, direct and implement the bank's collection and loss mitigation activities across all lines of business, providing leadership and knowledge to manage and resolve delinquent consumer or commercial loans.

He joined ChoiceOne Bank in 2017 with over 20 years in banking experience, including positions in branch management, retail banking, credit, commercial lending and special assets.

He earned a B.S. in employee relations and psychology from Michigan State University.

John Mousel

Mousel, who is a certified financial planner, was named vice president, financial advisor of ChoiceOne Investment Center.

He joined ChoiceOne in January 2018 as assistant vice president of ChoiceOne Investment Center. Before that, he was the office manager and registered representative at his family-owned State Farm Insurance Agency in Fremont and owned a financial consulting business in Rockford, which he sold in 2016.

Mousel has a B.S. in finance from Central Michigan University and an M.B.A. in finance from Grand Valley State University.

Carrie Olson

Olson was named vice president, client development. In her new position, Olson will partner with current clients and prospective businesses to streamline their daily banking practices and help them realize and achieve their financial goals.

She joined ChoiceOne Bank in 2012 as the Alpine branch manager and was appointed assistant vice president in 2015.

Olson graduated from the Michigan Bankers Association Perry School of Banking.

**Protecting
YOUR BUSINESS**

Disaster Recovery
BYOD Solutions
Cloud Services
Email Encryption

Office 365
Security & Compliance
Network Discoveries
vCIO Consulting

**IT
Resource**

Your Information Technology Provider

616.837.6930 . www.itrw.net . 701 W. Randall . Coopersville

Citizens National Bank promotes Victoria Hand

Victoria J. Hand has been appointed Executive Vice President, Chief Operating Officer & Cashier of Citizens National Bank (CNB) by the Board of Directors at its December 6, 2018 meeting.

Recognizing her invaluable contributions to the bank, President & CEO Matthew E. Keene stated “Vicki has been with CNB for nearly 40 years and has served the bank in many capacities. She has been a lender, compliance officer, supervisor of deposit & loan operations, support center and information technology. I have no doubt she will continue to excel in her new position.”

Ms. Hand attended the Northern Michigan School of Banking at Northern Michigan University and is a graduate of the Robert M. Perry School of Banking at Central Michigan University; where she served on the advisory board after graduation.

In her new position, Ms. Hand will maintain responsibility for loan operations, information technology, compliance and deposit operation functions, as well as the support center. She will continue to report directly to the President & CEO and become more involved with the executive administration of CNB.

Ms. Hand has volunteered as a Cheboygan County 4-H leader, was an active member of the Cheboygan Hockey Association and is currently the treasurer for the Cheboygan County Humane Society.



Victoria Hand

Julie Merrill joins 1st State Bank

1st State Bank welcomes Julie Merrill as Assistant Office Manager for our Bay City Offices. Merrill has over 30 years of banking experience, most recently as a Relationship Banker with Huntington Bank – Bay City. Merrill is a graduate of Saginaw Valley State University with a Bachelor’s Degree in Business Administration. Throughout her career, Merrill has been involved with several community organizations in the Great Lakes Bay Region. She resides in Bay City.



Julie Merrill

The State Bank Promotes Assistant Vice President

The State Bank is proud to announce the promotion of Chris O’Connor as the Company’s newest Assistant Vice President for the retail operations division. Chris will continue to be responsible for overseeing retail operations and project management.

Chris has worked for The State Bank since 2000, starting as a part-time teller. She became a full-time Financial Service Representative in 2001, working her way to Community Office Manager by 2013, and most recently the Retail Operations Officer.

“I have been fortunate to have held several different positions in my time with The State Bank. These opportunities have allowed me to develop not only professionally, but also contribute to the community in which I reside. My personal success has been influenced by the support and guidance of my fellow coworkers, supervisors and senior management. I look forward to being a part of the progress and successful future of The State Bank,” says O’Connor.

Stacey Webb, Senior Vice President, states “we are excited to recognize Chris with the promotion to Assistant Vice President overseeing retail operations and project implementation. She has been instrumental in completing several strategic initiatives and as a seasoned banker, brings her experienced skill set and technical abilities to the position.”



Chris O'Connor

community connections

The State Bank Promotes Officers



Jessica Slieff

The State Bank is proud to announce the promotion of Jessica Slieff as an Officer in the Company's retail management division for the Fenton market. Jessica will be responsible for managing and expanding the retail portfolio in the Fenton region, interacting with multiple departments to expand relationships with our existing personal and commercial customers, and nurturing new relationships as well.

Jessica began her career at The State Bank as a Community Office Supervisor in 2014, and steadily continued to advance in her role. Most recently, she is the Community Office Manager of both the Silver Parkway branch location, as well as the branch located inside VG's Market in Fenton. She is very active in her community, and exceptional in building relationships with existing and prospective customers.

"I take pride in working at a company that recognizes employee dedication. I also enjoy working for a company that makes the customer's experience and community involvement a top priority. The State Bank spends a considerable amount of time and resources with new technology and solutions for our customers, and I am grateful to be in a position here to have so much interaction with our customers and am very thankful for this recognition," says Slieff.

Stacey Webb, Senior Vice President at The State Bank, states "We are pleased to recognize Jessica with the promotion to Retail Banking Officer. Jessica's experience and proven ability to lead and mentor staff make her a natural candidate for this advancement. We look forward to her contributions to the organization at this next level in retail banking."

The State Bank is proud to announce the promotion of Aeron-James Grigg as an Officer in the Company's Commercial Lending division for the Great Lakes Bay Region. Grigg will be responsible for managing and expanding the bank's commercial lending reach in the Great Lakes Bay Region, interacting with the retail banking team to expand relationships with our existing commercial customers, and nurturing new commercial relationships.



Aeron-James Grigg

Grigg has worked in several roles in the banking industry. He began his career as a teller before moving into commercial loan support. Most recently, Grigg was a commercial credit analyst with another community bank in the Great Lakes Bay Region. He focuses much of his free time helping his community, where he is involved with coaching basketball at Center Courts in Saginaw, Bay Shore Family Camp in Sebawaing, and Saginaw Township Soccer Association in Saginaw. Grigg holds a Bachelor of Science in Public Administration from Saginaw Valley State University.

"It is extremely exciting as a young professional to be valued by the leaders of The State Bank. Being promoted to an officer establishes me as a young leader and role player as our bank continues to grow," says Grigg.

Kevin Neumeier, Vice President at The State Bank, states "I am very excited to announce the promotion of Aeron-James Grigg to an Officer of The State Bank. Since his hire this past year, he has been a great addition and integral piece of the commercial lending team in the Great Lakes Bay Region. He takes excellent care of customers and provides them solutions to assist with their financial goals with the vast array of bank products and services. He has a very bright future ahead of him, and we are glad to have him on the team!"



Chris Jacobs

Chris Jacobs joins First National Bank of Michigan as Vice President, Branch Manager in Portland

First National Bank of Michigan welcomes Chris Jacobs as Vice President, Branch Manager, at the Woodbridge Hills location in Portage. "As a 14-year veteran in retail banking, Chris boasts extensive knowledge and experience," said First National Bank of Michigan President & CEO Daniel Bitzer. "We're delighted to have Chris join our team."

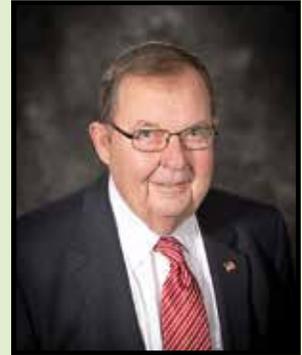
Jacobs holds a Bachelor of Science in Organizational Management & Development, and an MBA from Spring Arbor University. He currently serves on the Finance Committee for Kalamazoo Christian Schools.

First National Bank of Michigan announces the Daniel R. Smith Banking Internship

The First National Bank of Michigan Board of Director's along with its employees have announced the creation of The Daniel R. Smith Banking Internship.

"Dan played a key role in banking for several years here locally, state-wide and nationally. He was instrumental in helping open our bank in 2006", stated Daniel Bitzer, President and CEO of First National Bank of Michigan (FNBM). "He served as Director Emeriti of FNBM until his death last month. Several of our current employees worked for Dan previously and value the work ethic and ideals he instilled in them. His leadership, mentorship and advice will be missed."

The Board members and employees of FNBM chose to honor Dan's memory by creating the Daniel R. Smith Banking Internship. The internship will be awarded annually to a Western Michigan University student majoring in Business, Accounting or Finance.



Daniel R. Smith

First National Bank of Michigan announces staff promotions

First National Bank of Michigan is pleased to announce the promotions of Kathleen Reenders, Assistant Manager, Woodbridge Branch, Portage, and Michelle Hoopman, Assistant Manager, Grand Rapids, to Officers of the Bank.

Reenders boasts more than 10 years in banking and earned her bachelor's degree from Anderson University. "Since joining the bank in 2008, Kathleen has excelled, building solid relationships with our customers along the way," said Cindy Kole, Senior Vice President, Chief Operating Officer.



Michelle Hoopman

Hoopman has worked in the banking industry for over two decades and received her bachelor's degree from Davenport University. "Michelle joined First National Bank of Michigan in 2016 and has since continued to demonstrate leadership qualities, making her an instrumental team member," said Amy Vervaras, Vice President, Branch Manager in Grand Rapids. "Her 25 years of banking experience has been invaluable."



Kathleen Reenders

County National Bank Announces New Compliance Officer

Craig S. Connor, Chairman and CEO of County National Bank (CNB), recently announced the appointment of a new Compliance Officer.

Joining CNB as Compliance Officer is Josh Royal. He brings comprehensive knowledge of banking and compliance with over eight years of experience with Chemical Bank in Midland. Josh graduated from Northwood University with a Bachelor of Business Administration in Banking and Finance and is currently pursuing a Master's of Science in Finance through Northwood's DeVos Graduate School. He has also earned the Certified Regulatory Compliance Manager (CRCM) designation from the American Bankers Association, the recognized standard of excellence for compliance professionals in the financial services industry.

Vice President – Chief Auditor Dorene Shaw said, "We are pleased to welcome Josh as CNB's new Compliance Officer. His experience and talents will be a great benefit for our growing community bank, as the bank continues to expand product and service offerings for our customers."

community connections

Honor Bank hires Sarah Anderson for Buckley Branch Manager



Sarah Anderson

Honor Bank is happy to announce the hire of Sarah Anderson, Buckley Branch Manager. Sarah attended Northwestern Michigan College and earned an Associates of Applied Science with a Major in Business Management, with 5 years of consumer and business banking experience.

“We are excited to have Sarah join the Honor Bank team. She brings a customer focused attitude that our customers will appreciate as she helps them achieve their financial goals. While the Buckley customer base will benefit directly from her expertise, anyone who has the chance to interact with her will welcome her warm and inviting personality,” said Mike Worden, Honor Bank CEO.

Honor Bank promotes Cindy Ockert to Junior Commercial Lender

Honor Bank is excited to announce the promotion of Cindy Ockert, to Junior Commercial Lender. Cindy is located at the TC Marketplace Branch. Cindy started her career with Honor Bank in July 2006, and was the AVP Branch Manager for the Buckley Branch before her promotion. Cindy completed the MBA Branch Manager Certification, MBA Commercial Lending School, and is a recent 2018 Leadership Grand Traverse graduate.

“Cindy has served in a number of different capacities during her time with the Honor Bank team. She has earned her promotion to commercial lender. Many of our business customers have already worked with Cindy and have always spoke confidently about her. We are all excited about Cindy’s new role and know that she will provide great expertise to the business owners she works with,” said Mike Worden, Honor Bank CEO.



Cindy Ockert



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Jodie Borowicz

Citizens National Bank promotes Borowicz

The board of directors of Citizens National Bank (CNB) recently announced the promotion of Jodie L. Borowicz, C.P.A. to Senior Vice President and Chief Financial Officer. “This promotion is certainly well-deserved as Jodie has been a true asset to the CNB team. She has restructured our accounting department and brings a wealth of knowledge and leadership to the bank,” stated president & CEO Matthew Keene.

Ms. Borowicz joined the bank in 2016 as the Controller and was quickly promoted to Vice President in 2017. Ms. Borowicz graduated from the Financial Managers School-Graduate School of Banking at the University of Wisconsin-Madison in May 2017. She earned her Bachelor of Science in Business Administration from Central Michigan University, with a major in accounting and a minor in business law, and is a licensed C.P.A. in the State of

Michigan. Ms. Borowicz is a 2011 graduate of the Tampa Connections, a Young Professional Leadership Development in Florida where she resided for a number of years before returning to northern Michigan.

Ms. Borowicz is past member and treasurer of the Cheboygan County Community Foundation board of directors and Cheboygan Area Chamber of Commerce Ambassador.

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community connections

Chelsea State Bank supports “Shop with a Cop”

Chelsea State Bank continued its support of *Shop with a Cop* this past holiday season with a \$4,000 donation. *Shop with a Cop* is sponsored by the Western Washtenaw County Sheriff’s Department, and local police officers.

“As the local community bank, we wanted to do all we could to help the families in our communities celebrate the holidays,” stated Chelsea State Bank President David Schaible. “Knowing that families are struggling during the holidays, our employees and customers donated to *Shop with a Cop* to help with gifts for the children. I am so proud of our employees who give tirelessly of their time...they make us all proud to be community bankers.”

During October and November, Chelsea State Bank employees and customers donated to the *Shop with a Cop* event that took place on December 6 at the Jackson Road Meijer in Ann Arbor. During the event, each child is furnished with \$100-\$150 to spend on gifts. Each enrolled child also receives a winter coat, hat, gloves, blanket, backpack, toothbrush, and toothpaste. The program further provides participating children with \$100-\$125 in gift cards to local Washtenaw County restaurants and a \$25 gas card.

“This was our second year collecting for *Shop with a Cop*,” said Chelsea State Bank Loan Operations Teresa Beegle. “We have a Bank Relations Committee that looks for ways we can make a difference in our communities. When we learned about *Shop with a Cop* last year and how it helped children in our communities have a happier holiday, we were in. Last year we raised \$3,000, and this year we raised \$4,000. We are very proud of everyone who helped and are already working on ways to increase donations next year. Both Kim Hieber and Felicia Mann from Chelsea State Bank represented us at the actual shop on December 6.”

Bank of Ann Arbor welcomes back Brandon Black

Bank of Ann Arbor is pleased to welcome back Brandon Black to the Mortgage team.

Brandon previously originated mortgages for over twelve years, six of which, were spent with Bank of Ann Arbor. With a specialty in purchases, refinances, construction lending, and first-time homebuying, Brandon is thrilled to return to the banking industry. “My objective is to serve clients, realtors, builders, friends and business partners and provide the highest level of mortgage support and options.” Brandon also notes, “I am honored to be back at Bank of Ann Arbor.”

During his interim, Brandon spent time working for United Way of Washtenaw County and Ele’s Place Ann Arbor as a fundraiser. He secured donations, identified opportunities, and worked to improve donor relations. “Brandon’s previous mortgage experience, paired with his drive to help people makes him a perfect fit for Bank of Ann Arbor as we love to help” notes Tim Marshall, President and CEO.

Brandon obtained his Bachelor’s Degree in Physical and Biological Anthropology from the University of Michigan. Brandon is active in the community as a member of the Rotary Club of Ann Arbor, as well as having served on several committees and the board of Directors. He is currently the co-chair of the UM Rotaract Committee, a joint committee of local Rotarians and UM students.

Huron Community Bank's new CFO David Gottleber sees bright future for community banking

Huron Community Bank's David Gottleber has become the community bank's new Chief Financial Officer. Beginning as a Controller over two years ago, Gottleber has been a rising talent, becoming Assistant Vice President/Controller last year prior to his latest advancement.



David Gottleber

Mr. Gottleber is a graduate of Northwood University with a BBA in Accounting, after which he received his MBA in Accounting through Davenport University, and graduated from Financial Manager's School - Graduate School of Banking at the University of Wisconsin - Madison. He began his climb up the community-banking ladder seven years ago by gaining experience in various banking departments including Operations, Auditing, Accounting and Investments. He has held various roles in the community financial network, such as Operations Specialist, Internal Audit Assistant, Accounting Clerk and Accountant, with management positions as Assistant Controller, Controller and Executive Team Member.

As CFO to Huron Community Bank, David pledges to increase shareholder wealth through strategic financial planning by achieving desired outcomes, while meeting all regulatory and compliance requirements. "I believe the shareholders, as community residents, share in this same mission as we do. We want to continue to build a bank that is community focused because it is community owned," said Gottleber. "We will work tirelessly to ensure Huron Community Bank not only meets the needs of its shareholders, but also meets the needs of every resident in the community, both now and in the future." He also plans to play an active role in developing low to no cost banking solutions to better serve our communities.

David states, "As a community bank professional and member of the community, community bankers have the ability to know their clients and how to meet their needs. That's something big-city banks cannot and usually do not wish to accomplish." He continues to acquire this knowledge through holding active community roles as Chairman of the Business/Accounting Advisory Committee at Tawas Area High School, as a member of the Accounting Advisory Committee at Delta College and Board Member/VP of Communications at the Saginaw Valley Chapter of the Institute of Management Accountants. In addition, David commits to volunteering many hours throughout the year at multiple community events.

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